

Part 2A of Form ADV: Firm Brochure

Item 1 Cover Page

The name of the company is Brightscape Investment Centers, Inc. (BIC). The address of the company is 7241 SW 168th Street Miami, Fl 33157. The business phone number is 305 233-6222 and 888-888-0967. The company's website is www.brightscape.com. The date of this brochure is February 15, 2016.

This brochure provides information about the qualifications and business practices of Brightscape Investment Centers, Inc. If you have any questions about the contents of this brochure, please contact us at 305 233-6222 or at info@brightscape.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Brightscape also is available on the SEC's website at www.adviserinfo.sec.gov and from Brightscape at ericweiss@brightscape.com

Item 2 Material Changes

Since BIC's last brochure update in February 2015 there have been no material changes for BIC.

Item 3 Table of Contents

Item 1 Cover Page – page 1
Item 2 Material Changes – page 2
Item 4 Advisory Business – page 4
Item 5 Fees and Compensation – page 5
Item 6 Performance-Based Fees and Side-By-Side Management – page 6
Item 7 Types of Clients – page 7
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss – page 8
Item 9 Disciplinary Information – page 9
Item 10 Other Financial Industry Activities and Affiliations – page 10
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading – page 11
Item 12 Brokerage Practices – page 12
Item 13 Review of Accounts – page 13
Item 14 Client Referrals and Other Compensation – page 14
Item 15 Custody – page 15
Item 16 Investment Discretion – page 16
Item 17 Voting Client Securities – page 17
Item 18 Financial Information – page 18
Item 19 Requirements for State-Registered Advisers – pages 19-20

Item 4 Advisory Business

- A. Brightscape Investment Centers, Inc. (BIC) has been offering investment advisory services since 1999. BIC is 100% owned by Brightscape, Inc. (BI). BI has numerous owners the largest of whom is Eric Weiss owning 52%.
- B. BIC offers financial planning and investment advice. Financial planning services cover the broad range of individual needs including: goal identification, budgeting, taxes, insurance, investments, estate planning, assessment of current resources compared to goals, and recommended alternatives. Financial planning services use a goal identification and prioritization method. Clients are asked to first complete a data information package which contains information about the client's financial and non-financial assets, current income and projected retirement income, a risk questionnaire and a description of desired goals. A financial software program is then used to assess the probability of success i.e., achieving the goal without running out of money using different economic and investment scenarios. The results are then written up in a report and presented to the client in a separate meeting.

Investment advice is offered with respect to a broad range of investments including: individual stocks and bonds, mutual funds and exchange traded funds. Portfolios for clients are structured to be consistent with a client's risk rating and achievement of a desired goal. Index mutual and exchange traded funds are most often used in client portfolios both to reduce investment costs and to ensure that the investment does not stray from its stated objective. Client portfolios are diversified across different investment styles, i.e. large cap vs. small cap and growth vs. value; geographies: U.S. vs. international developed markets vs. emerging markets and also equities vs. bonds. In addition, assets which have lower correlations are added to provide further diversification benefits. These assets may include real estate investment trusts (REITs), diversified commodity, momentum and managed futures investments. The investment advice we offer focuses primarily on the asset allocation most appropriate for the client's risk and to achieve his/her goals. Of secondary importance is the selection of the specific investment which analysis focuses on investment consistency and fees. The asset allocation is contained in an *Investment Policy Statement* which outlines the duties and responsibilities of the advisor, the responsibilities of the client, the return and risk expectations for the portfolio, rebalancing procedures, investments to be used and reports to be provided. On a quarterly basis all portfolios are reviewed to ensure that the asset allocation is within the limits established in the *Investment Policy Statement*.

- C. The investment advice is tailored to each client's needs based upon the risk profile and goals of the client. Clients may impose restrictions on investing in certain types of securities.
- D. BIC does not participate in any *wrap fee programs*.
- E. As of February 9, 2016 BIC managed approximately \$41,300,000 of assets on a non-discretionary basis.

Item 5 Fees and Compensation

Asset Management Fees:

<u>Account Asset Level</u>	<u>Annual Fee Percentage</u>
\$50,000 to \$249,999	2.00%
\$250,000 to \$499,999	1.75%
\$500,000 to \$749,999	1.50%
\$750,000 to \$999,999	1.25%
Over \$1,000,000	1.00%

- A. Fees are negotiable. Asset management fees (“asset-based” fees) are based upon a percentage of the assets managed and are charged either on a quarterly or monthly basis; fees are non-refundable. A flat fee or fee by the hour can also be arranged and is determined at the time the service is provided. Depending upon the scope of the engagement the hourly fee can range from \$150 to \$400 per hour. The hourly fee is negotiable.
- B. For most clients fees for investment advice are charged electronically (an invoice is mailed indicating the fee amount) by deducting the amount from their account at the Company’s independent custodian, TD Ameritrade Institutional. In this way Brightscape receives the fee immediately. For some clients an invoice is mailed and Brightscape receives the fee by check within 30 days. Clients may select either paying electronically or by check. Fees for investment advice are charged in arrears or at the end of each calendar quarter or month.

Financial planning fees are either on an hourly basis or fixed according to the service delivered. The specific fee to be charged is contained in an engagement letter given to the client. Typically, the range of fees for financial planning services is between \$300 and \$3,000 depending upon the complexity of the plan. Financial plans covering basic items such as budgeting, goal identification, review of investments and insurance will be at the lower end of the scale. More complex plans incorporating the basic plan plus more complex topics such as estate planning, stock option planning, Social Security benefit maximization or retirement plan withdrawal strategies will be at the higher end of the scale. Fees are paid upon delivery of the plan and are non-refundable.

- C. Clients should note that because mutual funds and exchange traded funds pay advisory fees to their investment advisors and such fees are, therefore, indirectly charged to all holders of mutual fund shares, clients with mutual or exchange traded funds in their portfolios are effectively paying both the Advisor and the mutual or exchange traded fund manager for the management of their assets. Clients who place mutual fund shares under the Advisor’s management are, therefore, subject to both the Advisor’s direct management fee and the indirect management fee of the mutual or exchange traded fund’s managers. Clients will incur brokerage costs and mutual fund transaction fees as detailed in Item 12 “Brokerage Practices” below.
- D. No client is required to prepay fees in advance.
- E. No person at BIC receives any compensation for the sale of securities or other investment products or service fees from the sale of mutual funds e.g., no commissions are ever paid to any person at BIC. (1) All mutual funds recommended by BIC are “no-load” meaning no sales charge is paid to any person at BIC or to any related person upon the sale of the fund. (2) All clients have the option to purchase investment products recommended by BIC through other brokers or agents not affiliated with BIC. (3) Zero percent of BIC’s revenue is derived from commissions or any other fees from the sale of investment products. (4) Since no commissions are received there is no adjustment to advisory fees.

Item 6 Performance-Based Fees and Side-By-Side Management

No person at BIC receives performance-based fees or a fee based upon a share of capital gains or capital appreciation of the assets of a client. Neither are any accounts managed in a “side-by-side” arrangement whereby certain accounts are charged a performance-based fee while others an asset-based fee.

Item 7 Types of *Clients*

BIC provides advisory services generally to individuals and trusts. The minimum amount to open an account is \$100,000. The \$100,000 minimum can be spread over one household consisting of various individual accounts.

- A. Analysis begins with the current state of the economy and the stage of the business cycle the economy is moving towards: expansion moving from trough to peak or contraction moving from peak to trough. This is used as an overlay to adjust the asset class percentages for client portfolios described below. For instance, if the economy is contracting portfolio allocations are scaled to a less aggressive stance. A moderate portfolio may have 40% allocated to bonds during an expansion; this percentage is increased to perhaps 45 or 50% during a contraction.

Investment portfolios are developed to conform to different risk categories: aggressive, moderate, conservative and gradations of each, e.g. moderate aggressive or moderate conservative. Each client portfolio contains core positions in the major asset classes: US stocks – large/small, value/growth; international developed stocks – large/small, value/growth, emerging market stocks – large/small, value/growth; bonds, commodities, and real estate investment trusts (REITS). The portfolio's risk is adjusted by varying the amount of bonds, small, value and international stock allocations; e.g., more bonds are added and lower allocations to more volatile equity asset classes will lessen the portfolio's volatility e.g., risk.

The investment strategy and portfolio composition for an individual client is based upon the client's risk rating in conjunction with their goals. For example, two clients rated as conservative one 40 and the other 67 years of age would both have conservative portfolios, but the older client would have more income producing investments.

Though a portfolio may be structured as conservative all securities fluctuate in value and, therefore, all clients should be prepared to bear the risk of loss.

- B. For any portfolio the material risks relate to the percentage invested in equities; which value will generally decline during market downturns. Portfolios holding stocks issued by companies in countries outside the U.S. will bear an additional risk when the foreign currency of that country depreciates relative to the U.S. dollar. Portfolios with a large percentage invested in bonds may also not grow at a level equal to the rate of inflation thereby reducing the client's purchasing power over time. Bonds in a client portfolio will lose value during a period of rising interest rates. The longer is the maturity of the bond the greater will be the decline in value for a given increase in interest rates. Bonds issued by companies which are financially weak will decline in value during an economic contraction.
- C. All portfolios predominantly use either mutual or exchange traded funds. Material risks of mutual and exchange traded funds which hold stocks is that their value will decline during a market downturn. Mutual or exchange traded funds holding bonds, even of the highest quality, can decline in value such that the client will receive less at the point when the fund is sold or redeemed than what was purchased. In addition, when mutual funds are held in taxable accounts clients may have increased tax liabilities: mutual funds may be forced to liquidate positions during times of high redemptions resulting in capital gains being distributed to all shareholders, for which taxes will be owed, though any individual shareholder did not sell his/her position. Some portfolios hold individual stocks which are more volatile than a fund because of the lack of diversification. Some portfolios may hold individual bonds which may default causing a loss to the client.

Item 9 Disciplinary Information

No person at BIC has ever been subject to any legal or disciplinary event.

Item 10 Other Financial Industry Activities and Affiliations

- A. No person at BIC is registered, or has an application pending to register, as a registered representative of a broker-dealer. BIC is not registered, nor does it have an application pending to register, as a broker-dealer.
- B. No person at BIC is registered, or has an application pending to register, as a futures commission merchant.
- C. BIC has no relationships with any related persons which would create a conflict of interest with clients.
- D. BIC does not recommend or select other investment advisers for clients.

Item 11 Code of Ethics, Participation or Interest in *Client* Transactions and Personal Trading

- A. BIC has adopted a code of ethics that will be provided to any client or prospective client upon request. BIC's code of ethics covers the following topics: all professionals at BIC are held to a fiduciary standard whereby the interests of the client are paramount, personal securities transactions are conducted in a way to avoid an actual or perceived conflict of interest with the client, diligence and care are used in maintaining and protecting a client's nonpublic confidential information, non-divulgence of client security holdings to any individual outside of BIC, non-acceptance of gifts with value greater than \$100 from any entity doing business with BIC, limitations on serving as a director of an outside company (public or private), limitations on outside business interests and annual acknowledgement by all BIC professionals that they have received, read and understand BIC's Code of Ethics and Personal Trading Policy.
- B. BIC does not recommend any securities to clients in which any person at BIC or a related person has a material financial interest.
- C. Persons at BIC invest in the same securities which are recommended to clients. Acceptable personal trades by persons at BIC include: (i) shares of open-end mutual funds not managed by BIC, (ii) shares of any money market fund, (iii) direct obligations of the U.S. Government, (iv) shares of companies traded on the NYSE, AMEX or NASDAQ National Market System, (v) publicly traded corporate bonds and (vi) publicly traded municipal bonds.
- D. While securities may be purchased or sold for client accounts at the same time persons at BIC may buy or sell the same securities for their accounts, BIC believes that no conflict of interest is present because the size of the purchases or sales are de-minimis compared to the market value of such securities so to have no impact upon the prices or markets of such securities. Security sales or purchases are done based on the individual needs of the client or the person at BIC. While we believe that sufficient steps have been taken to avoid a conflict of interest BIC understands that certain situations may give rise to a perceived conflict of interest. In those cases BIC will share with the client the specific reasons why the security trade was made by the person at BIC in order to demonstrate it was driven by the individual's specific need rather than a perceived advantage of taking the opposite position of the security in the client's portfolio.

Item 12 Brokerage Practices

- A. BIC recommends the brokerage services of TD Ameritrade Institutional to clients. BIC recommends and uses the brokerage services of TD Ameritrade because:
- i. Securities Investor Protection Corporation (SIPC) and other insurances protect client accounts against loss, up to \$149.5 million, due to the insolvency of TD Ameritrade Institutional ;
 - ii. The investment options offered which include any: stock, exchange traded fund or bond, and more than 17,000 mutual funds as well as options;
 - iii. TD Ameritrade offers 100 commission-free exchange traded funds;
 - iv. TD Ameritrade Institutional does not manage nor sell proprietary investment products, thereby reducing any perceived conflict of interests;
 - v. Technology provided for clients to access their accounts and for BIC to manage the accounts.

Brokerage commissions and mutual fund transaction fees charged by TD Ameritrade Institutional are competitive within the industry.

While TD Ameritrade does make available third party research this does not present a conflict of interest because BIC does not have any formal or informal agreements to compensate TD Ameritrade for the receipt of such research. All research used by BIC in formulating its investment strategies is purchased from a third party and is independent of our relationship with TD Ameritrade Institutional. Such research is purchased from Morningstar through its "Office" product, Bespoke Investment Group, YCharts and StreetAccount (FactSet).

BIC receives no client referrals from TD Ameritrade Institutional.

BIC does not recommend, request or require that a client direct us to execute transactions through any specified broker-dealer.

- B. BIC strives to treat all clients in a fair manner. The purchase and sale of securities for client accounts are aggregated when such purchase would result in a lower commission. This will occur when accounts are purchasing the same securities and when each order on its own is not of sufficient size to warrant the lower rate. When securities are aggregated for purchase or sale:
- i. Client orders are attempted to be completed by day-end;
 - ii. If the order is not completed shares will be allocated to the underlying accounts on a pro-rata basis;
 - iii. If the order is filled at several prices an average price and commission will be used for all trades;
 - iv. All clients receiving securities from the aggregated trade will receive the average price;
 - v. Only trades executed within the aggregation trade on the single day may be combined for purposes of calculating the average price.

Item 13 Review of Accounts

- A. Client accounts are reviewed periodically on a quarterly basis. The nature of the review is to: (i) assess progress vs. the client's goals, (ii) measure the account performance during the immediately preceding quarter and compare it to the performance of the market and (iii) ensure that the account's asset allocation is in line with the client's risk rating and strategic asset allocation percentages. The year-end review also contains measures of the account's previous one, three and five-year performance also compared to the market. All reviews are conducted by Eric Weiss, Chief Investment Officer.
- B. A non-periodic review will be conducted if there has been a major change in the circumstances (death of spouse, divorce, etc.) of the client or a goal has changed (retire at an earlier date). A non-periodic review will also be done in the event of a major market movement, e.g. market indexes decline by more than 8% on a single day.
- C. Periodic reviews contain quarterly performance of the account and a comparison to market performance. Information showing the beginning balance, additions, withdrawals, management fees, investment gains/losses and ending balance is also provided. For any set of goals if the client has more than one account the accounts are aggregated for all performance measures. At the quarterly review the aggregated account's asset allocation is compared to the client's strategic allocation, as per their risk rating, to determine if any adjustments are necessary. Taking into consideration the stage of the business cycle and current asset allocation vs. the strategic target, recommendations are provided for any adjustments. The year-end report also contains information on the historical performance of the account's largest security holdings covering the past one, three and five years. All reports are written and sent to the client's account address.

Item 14 Client Referrals and Other Compensation

- A. No person at BIC receives any economic benefit from a person who is not a client in return for BIC providing investment advice to its clients.
- B. BIC nor any related person does not compensate any person for client referrals.

Item 15 Custody

- A. Clients receive monthly account statements from BIC's independent custodian, TD Ameritrade Institutional, which they should carefully review.
- B. In the quarterly performance reports provided by BIC clients are urged to compare the month-end account statements from TD Ameritrade to the Account Summary statement received from BIC.

Item 16 Investment Discretion

All accounts managed by BIC are done so on a non-discretionary basis.

Item 17 Voting Client Securities

- A. BIC will vote client securities according to management's recommendations unless BIC determines such recommendation to not maximize shareholder value. Client's can vote their securities by requesting to receive the proxy statements when they complete their account application. If BIC is voting the client's securities any conflict of interest will be resolved by: (i) engaging an independent third party to determine how to vote the proxy, (ii) vote in proportion to other shareholders, (iii) refer the proxy to a client or a representative of the client for voting and (iv) disclose the conflict to the affected clients and seek their consent to vote the proxy prior to casting the vote. Clients can request to receive information as to how BIC voted their securities. Clients may obtain a copy of BIC's proxy voting policies upon written request.

- B. BIC obtains authority to vote client securities at the time the account is opened by the client indicating on the account application to have all proxy materials sent to BIC rather than the client.

Item 18 Financial Information

- A. BIC does not require nor solicit the prepayment of any client fees.
- B. BIC does not have discretionary authority over client funds, nor custody of client assets and does not require the prepayment of any fees.
- C. BIC has never been the subject of a bankruptcy petition.

Item 19 Requirements for State-Registered Advisers

A. Management persons of BIC

Eric J. Weiss

DOB: 07/31/53

Education Background

George Washington University
Washington, DC

1975 – B.A.
International Affairs

Columbia University
New York, NY

1976 – M.A.
Economics

University of Chicago
Chicago, Illinois

1979 – M.B.A.
Finance

Professional Designations

Certified Financial Planner™ PROFESSIONAL
Accredited Investment Fiduciary®

5/06 - Present
4/10 – 4/13

Business Background

Brightscape Investment Centers, Inc.
Chief Executive Officer/Director

10/99 - Present

Adjunct Professor of Finance
University of Miami

8/04 - 5/13

Brightscape, Inc.
Chief Executive Officer/Director

01/00 - Present

OptimizeUSA Index Funds Limited (formerly
Paradigm World Index Funds Limited)
Director

07/98 – 01/01

OptimizeUSA Securities, Inc. (formerly
Paradigm International Securities, Inc.)
Director

08/98 – 08/03

Paradigm Capital Management Group, Inc.
Director

07/97 - 08/98

Paradigm Capital Advisors, Inc.
Principal/Director

08/96 - 03/97

Chase Manhattan Private Bank
Business Developer-Vice President

01/94 - 08/96

Richard Scott Boyles **DOB:** 12/20/77

Education Background

Southern Methodist University 2000 – BA
Dallas, TX Finance

Professional Designations

Certified Financial Planner™ PROFESSIONAL 1/07 - Present

Business Background

Brightscape Investment Centers, Inc. 8/04 – Present
Director
Designated Principal & Branch Mgr./Texas

Centex Homes 10/01 – 7/03
Financial Analyst

Brickman Group 5/00 – 10/01
Assistant Controller

Kenneth R. Turner **DOB:** 6/24/65

Mr. Turner does not have a college degree.

Professional Designations

Certified Financial Planner™ PROFESSIONAL 2/07 - Present

Business Background

Brightscape Investment Centers, Inc. 1/07 – Present
Investment Advisor Representative

Tech Marine 8/10 – Present
Budget and Planning Consultant
Department of Navy – Dahlgren
Warfare Center

Accenture 7/04 – 12/06
Senior Developer

Sapphire Technologies 11/03 – 6/04
Senior Systems Analyst

MCI 3/98 – 5/03

Senior Systems Analyst

- B. BIC is not engaged in any other business other than providing investment advice and financial planning services.
- C. No person at BIC is compensated for advisory services with performance-based fees.
- D. No person at BIC has ever been involved in a reportable event.
- E. No person at BIC has a relationship or arrangement with any issuer of securities.

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

