

Eaglebrook Advisors, Inc.

Firm Brochure – Form ADV Part 2A

Updated as of August 24, 2021

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This brochure provides information about the qualifications and business practices of Eaglebrook Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at +1 (202) 774 0774 or by email at: cking@eaglebrookadvisors.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 Eaglebrook Advisors, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. Eaglebrook Advisors Inc.'s CRD number is: 304438.

Item 2: Material Changes

- The Firm has updated its main office location to 11508 Twining Lane Potomac, MD 20854
- The firm has formed a relationship with AltoIRA who they will partner with on IRA accounts.

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Item 4: Advisory Business

Description of Advisory Firm

Eaglebrook Advisors, Inc. (hereinafter “Eaglebrook”) is a Corporation organized in the State of Delaware. The firm was formed in April 2019, and the principal owner is Christopher J King. Below is the description of the key personnel at Eaglebrook:

Christopher King: *Founder & CEO*

Christopher founded Eaglebrook in 2019 with the vision to bridge the gap between the digital asset market and the wealth management industry. He started his career at CTS Capital Advisors executing middle market private equity deals. Although he originally got involved in bitcoin and digital assets in 2014, he moved into the industry full time in early 2018 as a venture capital investor at Morgan Creek Capital. Morgan Creek Capital raised their first \$40 million fund from public pensions, endowments, and insurance companies. During his tenure, Christopher executed deals into sixteen fintech companies, four digital asset investment funds, and liquid digital assets (such as bitcoin) as well. During this time, he spotted a gap in the market between independent RIAs and digital asset investments. There was latent demand from Clients of financial advisors, but no great solution for advisors to allow their Clients to gain exposure. Therefore, he set off to start Eaglebrook Advisors and execute on this market opportunity. Chris holds his Series 65 and Series 79 licenses.

Chris Johnson, JD/MBA: *Chief Technology Officer*

Christopher Johnson has spent 15 years managing software teams creating cutting-edge predictive analysis, accounting, data mining, and transactional systems for hedge funds in global commodities and currencies markets. His accomplishments have enabled investment teams to make trading and investment decisions and stay informed of risks and opportunities in real-time and ahead of their peers. Christopher has a JD and MBA, a background in Energy, Commodities, and Currencies, and a fundamental perspective of the technologies and economics driving digital asset innovations.

Manoj Ghayalod, CFA: *Head of Trading*

Manoj Ghayalod has over 20 years of experience in finance and risk management. Manoj has been a partner and Risk Manager at Equity, Commodity and Power trading companies like Dufossat and First New York Securities for over 10 years. Before that Manoj was a Vice President at JP Morgan managing a team of programmers and quantitative analysts in Fixed Income for over 5 years. Manoj earned his CFA during his tenor at JP Morgan. Manoj also worked as senior programmer at technology and aerospace companies like Motorola and Boeing for over 10 years. Chris Johnson and Manoj Ghayalod previously worked together at currency and commodities hedge funds.

Ryan Nash: *Vice President, Operations*

Ryan Nash has over 5 years of experience in finance and investing. Prior to joining Eaglebrook, Ryan worked in investment banking where he was focused on M&A transactions in the technology, FinTech, and SaaS verticals. During his time in investment banking, he advised on over 20 deals and \$2 billion in M&A

transactions. He began his career at SunTrust Banks, Inc. working in the corporate and commercial banking sector. Ryan has a Bachelor of Business Administration in Finance from the University of Georgia.

Derek Tracz: *Director of Business Development*

Derek joins Eaglebrook advisors as Director of Business Development. His responsibilities focus on driving the strategic direction, growth, profitability, and performance of Eaglebrook's distribution team. He brings 13 years of extensive experience in consulting with an emphasis in management, development and client relationships across multiple channels and geographies that are instrumental in driving the firms growth.

Prior to joining Eaglebrook in 2021, Derek was regional vice president at ivy investments where he covered New York City and Long Island as an external wholesaler. He utilized his broad distribution skillset to assist financial advisors with all facets of their business including capital allocation, capital markets, portfolio construction, asset allocation, practice management and business development. Before ivy, he began his career at Jackson National Life where he was a business development consultant on their internal sales desk.

Eaglebrook is a registered investment adviser licensed in New Jersey, California and Maryland. Registration with any state securities regulator does not imply any level of skill or training.

Eaglebrook operates a Separately Managed Accounts ("SMA") platform that specializes in digital currency investment management. Eaglebrook offers digital currency SMAs through Eaglebrook's RIA partners. Eaglebrook has built a SMA platform designed to assist clients in gaining direct exposure to digital currency in a separately managed account structure. Eaglebrook uses Gemini Trust Company, LLC ("Gemini") as its qualified custodian for the SMAs. Gemini is licensed by the State of New York to custody digital assets.

Client Investment Process

Eaglebrook assists clients that are looking to gain digital currency exposure. Clients can open individual, joint, trust, LLC, LP, non-profit, and qualified accounts. Eaglebrook collects financial and personal information from the client using Eaglebrook's onboarding web application. Once the client is onboarded, the client is provided with wire instructions to fund their SMA. After the SMA is funded the client can access performance reporting, tax documents, research, and withdraw and add funds through Eaglebrook's Client Portal and Financial Advisor Portal.

Description of Program: Eaglebrook SMAs

Eaglebrook only advises on two digital currencies: bitcoin (\$BTC) and ether (\$ETH). Once the client funds the account, Eaglebrook's optimal trade execution strategy with the objective of reducing trading fees executes trades from the client's USD to digital currency. This is executed in the client's exchange account and then the client's digital currency is sent to the client's custody account. The client's digital currency remains in the client's custody account until it requests a withdrawal or terminates the account. The client's digital currency is then moved from its custody account to its exchange account and Eaglebrook's optimal trade execution strategy executes the trades from digital currency back to USD. The client's USD is then sent back to the client's bank account that originally funded the Eaglebrook SMA. Eaglebrook trades

exclusively through Gemini's independent cryptocurrency exchange. The Eaglebrook SMA is comprised of the client's individually titled Gemini Exchange Account and Gemini Custody Account.

Eaglebrook partners with AltoIRA for IRA accounts

Eaglebrook provides a separately managed account investment vehicle offering bitcoin and ether investment strategies to registered investment advisers and their qualified individual investors ("Investors"), including Investors who desire to invest with funds from an individual retirement account ("IRA"); and Alto operates a service and platform available through its website, AltoIRA.com (the "Alto Platform") for Investors to maintain and use self-directed IRAs to invest in alternative assets, including digital assets; and the parties have demonstrated the successful use of the Alto Platform to facilitate investments in Eaglebrook SMAs by advisers and their Investor clients using an IRA, and each party wishes the Alto Platform to continue to be made available and used for such purposes; and Alto has agreed to offer preferred pricing terms to Investors in Eaglebrook SMAs on the terms and conditions set forth below.

Starter Plan pricing for Eaglebrook SMA Investors

As of the Effective Date, Starter Plan pricing is as follows: Account admin fees: \$100 per year or \$10 per month for those Investors who do not opt in to annual fees - Applies to investor accounts holding securities of Alto platform partners only, including Eaglebrook SMA investments Transaction fees (per investment in/through Eaglebrook SMAs): \$50

Starter Plan account admin fees do not apply to accounts that hold other (non-Eaglebrook SMA) investments which do not qualify for Starter Plan pricing or any Alto account transferred from another custodian. Transaction fee for Starter and Pro Plan accounts is the same for Eaglebrook SMA investments.

Both parties agree that:

Pre-existing "Pro" level accounts will transition to Starter Plan pricing for transaction fees as of the Effective Date.

Pre-existing "Pro" level accounts are not subject to any fee credits or refunds for fees charged (admin and transaction) before the Effective Date.

Pre-existing "Pro" level accounts will transition to Starter pricing for admin fees on the 12 month anniversary of each account.

All Pricing Plans as published at AltoIRA.com and subject to change in Alto's discretion.

Other Information

Eaglebrook does not participate in or sponsor a wrap fee program.

Eaglebrook currently has no Assets Under Management.

Eaglebrook currently has Assets Under Advisement amounting to \$67,976,892.98.

Eaglebrook does not manage any assets and only provides advice on assets.

Item 5: Fees and Compensation

Fee for Services

Eaglebrook charges a 1.00% management fee annually. The client also pays a 0.30% custody fee to Gemini annually. Fees are negotiable.

Fee Disclosure

Management and custody fees are documented in the Client Agreement. Fees are annual and are collected directly from the custodian (Gemini) monthly. The fee will be calculated daily at 4 p.m. Eastern Time and deducted by Gemini monthly in arrears, on or around the last business day of each calendar month. The client receives monthly account statements of fees deducted broken out between the management fee, custody fee, and trading fee.

Account Termination

The client may terminate its Eaglebrook SMA by sending an email to client-services@eaglebrookadvisors.com. Gemini charges a \$125 fee for custody account termination. Once the account termination is requested, Gemini will liquidate the account and will send the client's USD back to the client's bank account that originally funded its SMA. In this situation the firm would be considered to have limited custody and they will comply with the custody rules and requirements. The client can also request their digital currency be transferred to a self-directed account at Gemini. In this scenario, the client would open an account at Gemini and the assets would be transferred over once the client has validated their identity with Gemini directly. Gemini (the custodian) will send clients' funds upon account termination.

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

Eaglebrook does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7: Types of Clients

Eaglebrook has designed SMAs for the following types of clients:

- High net worth individuals
- Independent registered investment advisers
- Family offices
- Institutional investors

There are no account minimums for any of Eaglebrook's services.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis and Investment Strategies

Eaglebrook offers passive and rules-based strategies when managing the digital currency SMAs. Eaglebrook has also implemented tax-loss harvesting strategies into the digital currency SMAs. Eaglebrook builds custom portfolios and strategies with BTC and ETH. For example, a client can select a 50% BTC, 50% ETH strategy that is rebalanced quarterly. The allocation between BTC and ETH, the rebalancing cadence, and tax-loss harvesting threshold (i.e. 15% loss trigger) are all customizable by the client.

Risk of Loss

Digital currency is a digital representation of value that functions as a medium of exchange, a unit of account, or a store of value, but it does not have legal tender status. Digital currency is not backed nor supported by any government or central bank. Digital currency's price is completely derived by market forces of supply and demand, and it is more volatile than traditional currencies and financial assets.

Investing in digital currency comes with significant risk of loss that a client should be prepared to bear, including, but not limited to, volatile market price swings or flash crashes, market manipulation, economic, regulatory, technical, and cybersecurity risks. In addition, digital currency markets and exchanges are not regulated with the same controls or customer protections available in equity, option, futures, or foreign exchange investing.

- **Volatility Risk:** Digital currency is a speculative and volatile investment asset. Investors should be prepared for volatile market swings and prolonged bear markets. Digital currency can have higher volatility than other traditional investors such as stocks and bonds and market movements can be difficult to predict.
- **Economic Risk:** The economic risk associated with digital currency is in the lack of widespread or continuing digital currency adoption. The market and investors could decide that digital currency should not be valued at the current market capitalization due to a variety of factors.
- **Regulatory Risk:** Digital currency could be banned or highly regulated by governments that would deter investors from buying or holding digital currency.
- **Technical Risk:** Digital currency is a dynamic network with a codebase that is updated to add new security and functionality features. The updated code that is merged by the core developers could potentially have an error that threatens the security or functionality of the digital currency network.
- **Cybersecurity Risk:** Digital currency exchanges and wallets have been hacked and digital currency has been stolen in the past. This is a potential risk that clients must be comfortable with when investing and holding digital currency. Theft is less likely when holding digital currency at a qualified custodian in offline systems (cold storage) with institutional security and controls.
- **Limited Operating History:** Eaglebrook has a limited operating history upon which prospective clients can evaluate its performance. There can be no assurance that Eaglebrook's assessment of

the prospects of investments in digital assets will prove accurate or that a client will achieve its investment objective.

- **Dependence on Service Providers:** Eaglebrook relies on service providers for certain aspects of its business, including certain financial operations, trade related activity, IT infrastructure and systems and custody. Eaglebrook does not control these service providers and has limited transparency into such businesses' day-to-day operations. Any interruption or deterioration in the performance of such service providers could impair the quality of Eaglebrook's operations, negatively affect its reputation and the investment strategies of Eaglebrook, limit a client's potential to grow and ultimately expose clients to losses.

Item 9: Disciplinary Information

Neither Eaglebrook, nor any management person, has any criminal or civil actions, administrative proceedings, or self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

Neither Eaglebrook, nor its management person, is registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer. Neither Eaglebrook nor its representative is registered as or have pending applications to become either a futures commission merchant, commodity pool operator, or commodity trading advisor, or an associated person of the foregoing entities.

Employee Holdings Disclosures

Eaglebrook employees may own digital currency and other digital assets and must disclose these on a quarterly basis which clients will be notified.

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

Eaglebrook has a written Code of Ethics for all Eaglebrook employees that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Eaglebrook's Code of Ethics is available free upon request to any client or prospective client.

Eaglebrook's associated persons may have a material financial interest in the digital currencies that Eaglebrook may recommend for purchase or sale by clients. Eaglebrook's associated persons disclose trades and holdings on a quarterly basis.

This presents a conflict of interest in that Eaglebrook or its related persons may receive more compensation from investment in a security in which in which Eaglebrook or a related person has a material financial interest than from other investments. Client approval will be sought for client investment in such recommendations and, if granted, such approval will be binding. Eaglebrook always acts in the best interest

of the client consistent with its fiduciary duties and clients are not required invest in such investments if they do not wish to do so.

Item 12: Brokerage Practices

Eaglebrook requires custodians/broker-dealers based on its duty to seek “best execution,” which is the obligation to seek execution of digital currency transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent. Eaglebrook will not charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

Eaglebrook utilizes a proprietary “optimal trade execution strategy” to execute trades in client accounts. The objective of Eaglebrook’s optimal trade execution strategy is to minimize trading fees. The trades are executed directly in the clients’ accounts using the continuous order book and OTC trades. Eaglebrook does not bunch the securities to be purchased or sold for multiple clients, which may result in less favorable prices, particularly for illiquid securities or during volatile market conditions.

All trades are executed at Gemini directly in the client’s account. Eaglebrook receives no referrals [or other benefits] from Gemini in exchange for using them as a liquidity partner.

Item 13: Review of Accounts

Eaglebrook client accounts will be reviewed by Christopher King. All client accounts will receive monthly reports detailing the assets held, asset value, and calculation of fees. This written report will come from Eaglebrook. The client will also have access to the Eaglebrook Client Portal or Financial Advisor Portal. Clients will also receive regular reporting from Gemini Trust Company, LLC. The client receives monthly account statements of fees deducted broken out between the management fee, custody fee, and trading fee.

Item 14: Client Referrals and Other Compensation

Eaglebrook does not receive any economic benefit, directly or indirectly from any third party for advice rendered to Eaglebrook's clients. Eaglebrook does not compensate non-advisory personnel (or solicitors) for client referrals.

Item 15: Custody

Eaglebrook’s SMAs are custodied at Gemini. Gemini is a fiduciary and qualified custodian under New York Banking Law and is licensed by the State of New York to custody digital assets. Gemini Custody is regularly audited and subject to the capital reserve requirements and compliance standards of a traditional financial institution. Gemini’s offline storage systems use multi-signature technology, role-based governance protocols, and multiple layers of biometric access controls and physical security to safeguard customer assets. Mandatory whitelisting enhances account-level security.

The custody infrastructure at Gemini’s geographically distributed, 24/7 access-controlled secured facilities is designed so that it cannot be accessed by anyone without the proper credentials. The hardware security modules (“HSMs”) storing private keys are never connected to the internet and are kept air-gapped inside safes in locked cages. Gemini’s HSMs have achieved the highest levels of the U.S. government’s security ratings.

Gemini has completed both SOC 1 Type 2 and SOC 2 Type 2 examinations for both Gemini Exchange and Gemini Custody that were conducted by Deloitte & Touche LLP. Gemini is the only digital asset exchange and custodian to demonstrate this standard of financial operations and security. The SOC 1 evaluates the design and implementation of Gemini’s financial operations and reporting controls, while the SOC 2 evaluates the design and implementation of the custodian’s security, availability, and confidentiality controls.

Item 16: Investment Discretion

Eaglebrook provides discretionary investment advisory services to clients. The investment management agreement established with each client sets forth the discretionary authority and procedures for trading. Eaglebrook only has discretion to implement the investment strategy selected by the client. Eaglebrook will also have discretionary authority to determine the broker or dealer to be used for a purchase or sale of securities for a client’s account. In some instances, Eaglebrook’s discretionary authority in making these determinations may be limited by conditions imposed by a client (in investment guidelines or objectives, or client instructions otherwise provided to Eaglebrook).

Item 17: Voting Client Securities

There is not voting authority for digital currency.

Item 18: Financial Information

Eaglebrook neither requires nor solicits prepayment of more than \$500 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure. Neither Eaglebrook nor its management has any financial condition that is reasonably likely to impair Eaglebrook’s ability to meet contractual commitments to clients. Eaglebrook has not been the subject of a bankruptcy petition in the last ten years.

Item 19: Requirements for State-Registered Advisers

Eaglebrook currently has only one management person: Christopher J King. His formal education and business background can be found on the individual’s Form ADV Part 2B brochure supplement. The firm also has the following employees: **Chris Johnson, JD/MBA: Chief Technology Officer, Manoj Ghayalod,**

CFA: *Head of Trading*, **Ryan Nash:** *Vice President, Operations*, and **Derek Tracz:** *Director of Business Development*.

Eaglebrook does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

There are no civil, self-regulatory organization, administrative proceeding or arbitration claim to report under this section.