

# BDT & Associates, Inc.

d/b/a Invicta Financial Group

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of BDT & Associates, Inc. If you have any questions about the contents of this brochure, please contact us at (928) 344-8000 or by email at: [info@invictafg.com](mailto:info@invictafg.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 BDT & Associates, Inc. is also available on the SEC's website at [www.Adviserinfo.sec.gov](http://www.Adviserinfo.sec.gov). BDT & Associates, Inc.'s CRD number is: 288008.*

2615 East 24th Street, Suite 2  
Yuma, AZ 85365  
(928) 344-8000  
[info@invictafg.com](mailto:info@invictafg.com)  
[www.invictafg.com](http://www.invictafg.com)

*Registration does not imply a certain level of skill or training.*

Version Date: 06/30/2020

## **Item 2: Material Changes**

BDT & Associates, Inc. has the following material changes to report. Material changes relate to BDT & Associates, Inc.'s policies, practices or conflicts of interests.

- The firm has updated its service, fee, and conflict of interest descriptions.
- The firm has disclosed Invicta Financial Group as a d/b/a.
- The firm transitioned from the SEC to state registration in AZ and CA.
- The firm has transitioned to registration with the United States Securities and Exchange Commission from its prior registration at the state level.

### Item 3: Table of Contents

Item 1: Cover Page	
Item 2: Material Changes.....	ii
Item 3: Table of Contents.....	iii
Item 4: Advisory Business.....	2
Item 5: Fees and Compensation.....	4
Item 6: Performance-Based Fees and Side-By-Side Management.....	6
Item 7: Types of Clients.....	7
Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss.....	7
Item 9: Disciplinary Information.....	9
Item 10: Other Financial Industry Activities and Affiliations.....	9
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	11
Item 12: Brokerage Practices.....	11
Item 13: Review of Accounts.....	12
Item 14: Client Referrals and Other Compensation.....	13
Item 15: Custody.....	13
Item 16: Investment Discretion.....	13
Item 17: Voting Client Securities (Proxy Voting).....	13
Item 18: Financial Information.....	14

## **Item 4: Advisory Business**

### **A. Description of the Advisory Firm**

BDT & Associates, Inc. d/b/a Invicta Financial Group (hereinafter “BDT”) is a Corporation organized in the State of Arizona and formed in September 2007. BDT became an RIA in June 2017. BDT is a privately-owned entity.

### **B. Types of Advisory Services**

#### ***Financial Planning Services***

BDT provides ongoing financial planning services based on a client’s individual values, goals, objectives, time horizon, assets available, and risk tolerance. BDT will meet with a prospective client, free of charge, to review the individual’s financial situation and determine with the prospective client whether BDT’s services would be a fit for each party. If the parties decide to pursue a working relationship, then the client would pay BDT’s fee (see Item 5) for BDT to work with the client in providing a detailed financial plan and implementation strategy. This financial plan may include, but is not necessarily limited to:

- Portfolio review and evaluation
- Investment Planning
- Risk Management
- Tax Projection, Planning & Integration
- Retirement Planning
- Education Planning
- Cash Flow Analysis
- Budgeting
- Debt /Credit Management

BDT seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its clients and without consideration of BDT’s economic, investment or other financial interests. To meet its fiduciary obligations, BDT does not carry commissionable investment licenses, reducing potential conflicts of interest. It is BDT’s policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

#### ***Financial Advisory Services via Selection of Other Advisers***

For ongoing management of investment portfolios, BDT directs clients to third-party investment adviser(s). BDT works in conjunction with the third-party adviser(s) to find a portfolio that meets the client’s values, goals, objectives, time horizon, assets available, and risk tolerance. Before selecting other advisers for clients, BDT will verify that all

recommended advisers are properly licensed, notice filed, or exempt in the states where BDT is recommending the adviser to clients.

### ***Services Limited to Specific Types of Investments***

BDT may recommend various securities to help diversify a portfolio when applicable.

### **C. Client Tailored Services and Client Imposed Restrictions**

Clients may impose restrictions in financial planning in certain securities or types of securities in accordance with their values or beliefs. BDT reserves the right to end the relationship.

BDT will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by BDT on behalf of the client. BDT may use model allocations, together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent BDT from properly servicing the client account, or if the restrictions would require BDT to deviate from its standard suite of services, BDT reserves the right to end the relationship.

### **D. Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. BDT does not participate in any wrap fee programs.

### **E. Assets Under Management**

BDT's does not provide direct portfolio management and thus does not have regulatory advisory assets under management for purposes of Form ADV reporting.

<b>Discretionary Amounts:</b>	<b>Non-discretionary Amounts:</b>	<b>Date Calculated:</b>
\$0	\$119,000,000.00	May 2020

## Item 5: Fees and Compensation

### A. Fee Schedule

#### *Fees for Financial Planning*

##### One-Time Financial Plan

The One-Time Planning Fee for building a financial plan is up to **1.5% of gross annual income** (the amount of money a person earns in one year from all sources before taxes). BDT collects the One-Time Planning Fee in advance. The fee is *negotiable* based on the complexity of the plan with the BDT Adviser having the latitude to discount the client fee based on a number of other factors – such as current debt load, amount in savings, etc. This one-time planning fee covers the building of the client’s plan and implementation up to the first 90 days. This includes the presentation and review of the implementation plan (known as a Written Financial Action Plan).

*Example: Client’s gross annual income is \$100,000.00/year. BDT can charge up to 1.5% of gross annual income for the “One-Time Planning Fee,” which would amount to a one-time advisory fee of \$1,500.00.*

The client and BDT Adviser agree on the final fee by signing the financial planning agreement – One-Time Planning Fee.

##### Ongoing Services Fee

The Ongoing Services Fee (referred to as Wealth Management Services) is up to **3% of gross annual income** (the amount of money a person earns in one year from all sources before taxes). BDT begins collecting this fee after the initial period. The fee is *negotiable* based on the complexity of plan with the BDT Adviser having the latitude to discount the client fee based on a number of other factors – such as current debt load, amount in savings, etc. This ongoing services fee covers the full implementation of the client’s plan, which usually takes 18 to 30 months, and ongoing maintenance thereafter. The adviser and clients meet monthly throughout implementation until the plan is fully implemented. Upon full implementation of the plan the adviser and clients meet a minimum of 3 times a year, on a trimester basis, in order to review and update every cornerstone of the client’s strategy. This ensures the clients strategy stays on track to achieving their goals for the reasons that are important to them.

The Ongoing Services Fee is paid quarterly in arrears following the initial period. The fee is paid via automatic bank draft from a client's checking or savings account.

*Example: Client's gross annual income is \$100,000.00/year. BDT can charge up to 3.0% of gross annual income for the "Wealth Management Service" fee, which would amount to \$3,000.00 annually (\$750.00 quarterly in arrears starting the second full calendar quarter after the initial one-time financial planning engagement started).*

The client and BDT Adviser agree on the final fee by signing the financial planning agreement – Ongoing Services.

***Fees for Financial Advisory Services via Selection of Other Advisers***

BDT directs clients to third-party investment advisers (money managers), specifically Howard Capital Management (CRD# 118070 / SEC# 801-69763) and American Trust Retirement, a division of American Trust & Savings Bank.

**Howard Capital Management**

Total Assets	Total Annual Advisory Fee
All Assets	Up to 2.20% *

*\* BDT and Howard Capital Management typically share this fee equally. While certain types of accounts differ in the portion of fees paid to each advisory firm, the aggregate advisory fee paid by the client does not differ.*

**American Trust Retirement**

Total Assets	Total Annual Advisory Fee
All Assets	Up to 1.90% *

*\* BDT and American Trust Retirement typically share this fee equally. While certain types of accounts differ in the portion of fees paid to each advisory firm, the aggregate advisory fee paid by the client does not differ.*

These advisory fees are generally negotiable, will not exceed any limit imposed by any regulatory agency, and are calculated using the value of the assets in the account on the last business day of the prior billing period. The notice of termination requirement and payment of fees for third-party investment advisers (money managers) will depend on the specific third-party adviser selected.

**B. Payment of Fees**

***Payment of Fees for Financial Planning***

The One-Time Planning Fee is payable in advance via check, whereas BDT's advisory fee for ongoing wealth management services is payable quarterly in arrears via ACH debit from the client's checking or savings accounts.

### ***Payment of Fees for Financial Advisory Services via Selection of Other Advisers***

Asset-based fees for management of securities portfolios are withdrawn directly from the client's accounts with client's written authorization by the third-party adviser (money managers), which in turn remits to BDT its portion of the advisory fee. Fees are payable monthly in advance.

### **C. Client Responsibility for Third-party Fees**

Clients are responsible for the payment of all third-party fees (*i.e.*, custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by BDT. Please see Item 12 of this brochure regarding broker-dealer/custodian.

### **D. Prepayment of Fees - Refunds**

#### ***Refund Policy for Financial Planning***

This One-Time Planning Fee is paid in advance and non-refundable after 5 days from signing financial planning agreement. For one-time financial planning engagements terminated within the first 5 days will be returned within 14 days to the client via check upon BDT's receipt of client's written notification of termination.

BDT's advisory fee for ongoing wealth management services are generally not subject to refund, as these are paid in arrears.

#### ***Refund Policy for Financial Advisory Services via Selection of Other Advisers***

For asset-based fees paid in advance to third-party managers, the fee refunded will be generally be calculated as a prorated portion of the billing period in which termination is effected, subject to the policies of the applicable third-party adviser. The third-party adviser (money managers), rather than BDT, handles these refunds.

### **E. Outside Compensation for the Sale of Securities to Clients**

Neither BDT nor its supervised persons accept any compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

BDT 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

BDT generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Corporations or Business Entities

BDT has no minimum fees for financial planning services.

Howard Capital Management has a minimum requirement of \$2,500 to \$1,000,000 based on the platform. American Trust Retirement does not have a minimum requirement to open or maintain an account.

## Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss

### A. Methods of Analysis and Investment Strategies

#### *Methods of Analysis*

BDT relies on third-party money managers methods of analysis that may use Cyclical analysis, Fundamental analysis, Modern portfolio theory, Quantitative analysis, and Technical analysis.

**Cyclical analysis** involves the analysis of business cycles to find favorable conditions for buying and/or selling a security.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

**Quantitative analysis** deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

**Technical analysis** involves the analysis of past market data; primarily price and volume.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **B. Material Risks Involved**

### *Methods of Analysis*

**Cyclical analysis** assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Modern portfolio theory** assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

**Quantitative analysis** Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **C. Risks of Specific Securities Utilized**

Clients should be aware that there is a material risk of loss using any investment strategy.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

Barry Todd was assaulted in 2014 and had to defend himself. This incident, in which he was merely and justifiably defending himself, resulted in Mr. Todd being charged with attempted first-degree murder and two counts of aggravated assault. The entire incident was on video and subsequently dismissed with prejudice due to self-defense in accordance with Arizona Revised Statutes and lack of probable cause. All information has been disclosed to the SEC and is noted in BrokerCheck.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

## **Item 10: Other Financial Industry Activities and Affiliations**

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither BDT nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Adviser**

Neither BDT nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Adviser or an associated person of the foregoing entities.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

All Advisers are independent licensed insurance agents with BDT & Associates Insurance Services, and from time to time, will offer clients advice and/or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. BDT always acts as a fiduciary in

the best interest of the client, including the sale of commissionable products to Advisory clients. Clients are in no way required to utilize the services of any representative of BDT in connection with such individual's activities outside of BDT.

Barry D. Todd is a licensed insurance agent of Barry D. Todd, Sole Proprietor since March 2002. He is an independent insurance agent that sells and services for P&C, Health and life insurance.

Barry Douglas Todd is the owner and CEO of BDT & Associates Insurance Services since March 2012. BDT & Associates Insurance Services was set up as a tradename of BDT & Associates and was established to be setup as a general agency. Barry D. Todd receives no compensation for this activity and does not spend any time on this activity.

Barry Douglas Todd is a manager of BDT, LLC since April 2011. This has no business with BDT & Associates, Inc., advisory services. No control or custody over client funds. Barry Douglas Todd receives no compensation for this activity and spends 2 hours per month on this activity.

Barry Douglas Todd is a consultant and owner of Affluent Advising, LLC since March 2014. This is a consulting business on the management of organizations. No custody or control over funds or property. Barry Douglas Todd receives no compensation for this activity and spends 4 hours per month on this activity.

Barry Douglas Todd is the manager of BDT Real Estate, LLC since March 2011. This is a personal commercial real estate holding company and he does not carry a real estate license. This business has no business relationship to BDT and has no custody or control over client funds. Clients should be aware that these services do not involve a possible conflict of interest. Barry Douglas Todd receives no compensation for this activity and spends 2 hours per month on this activity.

Barry Douglas Todd is the co-owner with his wife of BVMC Creation Properties, LLC since December 2015. This is a real estate holding company where they purchase and rent properties (single family homes). They do not rent to clients of BDT. Barry Douglas Todd receives \$15,000 in compensation yearly for this activity and spends 1 -2 hours per month on this activity.

BDT always acts in the best interest of the client, including in the sale of commissionable insurance products to Advisory clients. Clients are in no way required to utilize the services of any representative of BDT in connection with such individual's activities outside of BDT. In case of any conflict that may arise between the interest of the client and IAR, the following may be applied: Client is under no obligation to act upon the investment adviser's recommendation.

**D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

BDT directs clients to third-party investment advisers (money managers). The fees shared will not exceed any limit imposed by any regulatory agency. This creates a conflict of interest in that BDT has an incentive to direct clients to the third-party investment advisers that provide BDT with a larger fee. BDT will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients. BDT will verify that all recommended third-party investment advisers are properly licensed, notice filed, or exempt in the states where BDT is recommending the adviser to clients.

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

### **A. Code of Ethics**

BDT has a written Code of Ethics 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. BDT's Code of Ethics is available free upon request to any client or prospective client.

### **B. Recommendations Involving Material Financial Interests**

BDT does not recommend that clients buy or sell any security in which a related person to BDT or BDT has a material financial interest.

### **C. Investing Personal Money in the Same Securities as Clients**

As part of its Code of Ethics, BDT has implemented a restricted list to ensure that neither BDT nor its representatives will trade in securities that BDT also recommends to clients.

### **D. Trading Securities At/Around the Same Time as Clients' Securities**

Please see Item 11.C above.

## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker/Dealers**

BDT will not recommend custodians, receive research, products, or other non-execution services from a third-party in connection with client securities transactions (“soft dollar benefits”), or receive referrals from a third-party in exchange for using that third-party. BDT will never charge a premium or commission on transactions. However, clients should be aware that the custodian will impose additional charges.

Since it does not trade client accounts, BDT does not require clients to use a specific broker-dealer to execute transactions, though third-party adviser may recommend or select custodians or broker-dealers. Not all advisers require their clients to direct brokerage.

### **B. Aggregating (Block) Trading for Multiple Client Accounts**

BDT does not buy or sell the securities on behalf of any client.

## **Item 13: Review of Accounts**

### **A. Frequency and Nature of Periodic Reviews**

BDT Advisers oversee providing all investment advice and conducting ongoing reviews of all accounts for their respective client accounts per the financial planning agreement – Ongoing Services. BDT Advisers are also in charge of selecting and/or recommending third-party investment advisers (money managers) to their respective clients. Therefore, you will need to contact your BDT Adviser for the most current information and status of your accounts. All accounts at BDT are assigned to an Adviser.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by the compliance department of BDT. Financial planning clients are provided a Written Financial Action Plan outlining their financial probability and strategy. Adviser may decide or clients may request to update plans as needed for a fee. This additional fee is negotiable.

Meetings with clients are documented using Redtail CRM system. The review includes review of assets, insurance, estate planning, taxes, etc.

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews for clients with ongoing services may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

### **C. Content and Frequency of Regular Reports Provided to Clients**

Accounts utilizing Financial Advisory Services via Selection of Other Advisers will receive reports according to the third-party adviser's practices, along with custodial statements.

Each one-time financial planning client will receive the Written Financial Action Plan upon completion.

## **Item 14: Client Referrals and Other Compensation**

### **A. Economic Benefits Provided by Third Parties for Advice to Clients**

As discussed herein, BDT directs clients to third-party investment advisers, specifically Howard Capital Management (CRD# 118070 / SEC# 801-69763) and American Trust Retirement, a division of American Trust & Savings Bank. BDT does not receive any economic benefit, directly or indirectly from any third-party for advice rendered to BDT clients. For additional information regarding the third-party adviser relationship and compensation, please see Items 4, 5, and 10 of this brochure and the applicable third-party adviser's own Firm Brochure.

### **B. Compensation to Non – Advisory Personnel for Client Referrals**

BDT does not directly or indirectly compensate any person who is not Advisory personnel for client referrals.

## **Item 15: Custody**

BDT does not deduct fees from client accounts and does not take custody of client accounts at any time. Custody of client's accounts is held primarily at the client's custodian. Clients will receive account statements from the custodian and should carefully review those statements.

## **Item 16: Investment Discretion**

BDT does not have discretion over client accounts at any time.

## **Item 17: Voting Client Securities (Proxy Voting)**

BDT will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 18: Financial Information**

### **A. Balance Sheet**

BDT 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.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither BDT nor its management has any financial condition that is likely to reasonably impair BDT's ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

BDT has not been the subject of a bankruptcy petition.