

Part 2A & B Form ADV: Firm Brochure

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BlueSail Advisors LLC

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This Brochure provides information about the qualifications and business practices of BlueSail Advisors LLC. If you have any questions about the contents of this Brochure, please contact us at: (202) 467-8352 or info@bluesailadvisors.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.

BlueSail Advisors LLC is a registered investment advisor in the District of Columbia, the State of Maryland and the Commonwealth of Virginia. Registration of an investment advisor does not imply any level of skill or training. The oral and written communications of an advisor provide you with information about which you determine to hire or retain an advisor. Additional information about BlueSail Advisors LLC is available on the SEC's website at www.Adviserinfo.sec.gov.

Item 2 – Material Changes

The date of our previous annual update to our Brochure was August 22, 2015.

We will ensure that all current clients receive a Summary of Material Changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. A Summary of Material Changes is also included with our Brochure on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Bluesail Advisors, LLC is 144579. The Summary of Material Changes is listed as "Exhibit A" to our Brochure. We may further provide other ongoing disclosure information about material changes as necessary and will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Todd Shears at (202) 467-8352 or via email at info@bluesailadvisors.com. Brochures are provided free of charge.

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Item 4 – Advisory Business

BlueSail Advisors LLC (“Advisor”) is a fee-only financial planning firm registered with the District of Columbia, the State of Maryland, and the Commonwealth of Virginia that specializes in providing comprehensive financial planning and investment advisory services to individuals and families. Advisor is owned and operated by Todd T. Shears, who established BlueSail Advisors LLC in August 2006 and is located in Washington D.C. Advisor offers a wide range of financial services. Specifically, BlueSail Advisors LLC distinguishes itself from traditional investment advisory firms by providing services to meet your investment needs, as well as tax planning, estate planning, risk management, retirement planning, education planning and business development needs.

Generally Advisor has non-discretionary authority to execute investment recommendations. Non-discretionary authority requires Advisor to obtain Client’s approval of each specific transaction prior to executing investment recommendations. Advisor will only execute transactions for Clients when specifically requested and authorized by Client in writing. More information regarding Brokerage can be found in Item 12 of this brochure.

Advisor and Client will enter into an agreement which details the scope of the relationship and responsibilities of both Advisor and Client. Advice and services provided under the agreement are tailored to the stated objectives of the Client(s).

Advisor does not sell insurance or investment products, and does not accept commissions as a result of any product recommendations. Advisor does not pay referral or finder's fees, nor does it accept such fees from other firms.

Advisor provides the following three types of services:

1. Open Retainer: An Open Retainer provides comprehensive financial planning for an annual fee over the course of one year. Clients will have five to seven scheduled meetings during the Initial Year (see below), depending on their individual situation, and generally two or three scheduled meetings during Renewal Years (see below). In addition to scheduled meetings, additional face-to-face, e-mail and/or phone consultations are included at no additional charge.

Services provided may include, but are not limited to: tax planning, insurance review, inventory of assets, analysis of financial goals, portfolio analysis, development of an asset allocation strategy, no-load mutual fund recommendations, retirement planning, estate plan reviews, and investment management.

Initial Year of Open Retainer – Scheduled meeting topics are listed below. Advisor will schedule meetings to cover those topics relevant to you, such as:

- Budgeting and cash flow
- Tax planning
- Record-keeping
- Inventory of client assets
- Retirement planning
- Portfolio analysis
- Goal setting
- Develop asset allocation strategies
- Estate planning review
- Recommend investments
- Small business planning
- Insurance analysis
- Education planning
- Analysis of employee benefits

Renewal Years of Open Retainer - Typical scheduled meetings:

- Tax planning
- Goal setting/review
- Investment review/update
- Rebalancing of assets
- Financial planning and/or any financial services as requested or needed by client.

2. Project Retainer: If an Open Retainer relationship is not desired or practical, Project Retainer services are also offered. Project Retainer services are narrower in scope and usually focus on one or more of the following areas: goal setting, asset/liability analysis, tax planning, cash flow management, investment review, retirement planning, risk management, estate planning and record keeping. The service includes various client consultations as well as written and/or oral recommendations resulting from such consultations. The Project Retainer does not constitute a comprehensive financial planning engagement and follow-up advice and/or implementation assistance is not provided following the completion of the project.

Item 5 – Fees and Compensation

Open Retainer

Financial Planning Fees

The initial financial planning fee is an annual fee. Fees are calculated based on the client(s) total income, assets, and overall complexity of their financial situation. Forty percent (40%) of the initial annual fee will be due upon execution of the written agreement. The remainder of the fee is payable in equal quarterly payments, due in advance of each quarter. Subsequent annual financial planning retainer fees

renew on the anniversary date of the execution of the agreement and will be payable quarterly, in advance, by credit card charge, bank account debit, or check. For clients for whom we also provide Investment Management Services, fees will be paid directly to Advisor from the Client's Custodial Account as outlined in the Investment Management Fee section below. Subsequent annual financial planning retainer fees will be determined at the time of entering into the open retainer agreement. However, at the discretion of the Advisor, but no later than thirty (30) days prior to the anniversary date of the Agreement, the Advisor may recalculate the annual fee. The recalculated fee will only become effective after approval by the Client. The specific manner in which fees are charged is established in Client's written agreement with BlueSail Advisors LLC.

Any credits or adjustments will be determined in the sole discretion of Advisor.

Investment Management Fees

Compensation for investment management services are based on a percentage of assets under management. Fees are based on a per annum percentage of the total assets under management at the beginning of each quarter. BlueSail's standard fee schedule is set forth below:

| ASSETS | ANNUAL FEE |
|--|------------|
| The first \$1,000,000 (Assets from \$0 to \$1,000,000) | 0.8% |
| The next \$4,000,000 (Assets from \$1,000,001 to \$5,000,000) | 0.6% |
| Over \$5 million | 0.4% |

Investment management fees are billed on a quarterly basis, in advance. Advisor's fees will be invoiced to Client and paid directly to Advisor from the Client's Custodial Account, unless otherwise agreed, upon submission of an invoice to the custodian. Payment of fees may result in the liquidation of Client's securities if there is insufficient cash in the Account. If Client assets are invested in mutual funds, Client may be required to pay, in addition to the Advisor's fee, a proportionate share of the mutual fund's fees and charges. Advisor's fees are not contingent upon investment results.

Advisor reserves the right to amend the investment management fee from time to time. Any such amended fee will be memorialized by an amended **Schedule A** to the Open Retainer Agreement, and will only become effective after being approved by the Client.

Project Retainer

Services under the Project Retainer are typically provided on a flat-fee basis. Advisor may negotiate an hourly fee of \$280 per hour for specific project requests. Project Retainers must be completed within 3 months of contract date. In Advisor's sole discretion, fees may be paid with one-half due at the beginning of the engagement and the remainder upon completion. In no event will Advisor collect more than \$500.00 more than six months in advance from any client.

BlueSail Advisors LLC is a fee-only financial advisory firm and does not sell investment or insurance products. Unless specifically requested and authorized in writing by Client (with such request accepted by Advisor), Advisor does not execute recommendations on behalf of clients. Clients are responsible, but under no obligation, to implement any recommendations made by Advisor.

In addition to Advisor's fee, clients may incur certain other fees and charges to implement Advisor's recommendations. Additional charges and fees will be imposed by custodians, brokers, third party investment and other third parties, such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to the Advisor's fee. Fees are generally negotiable. The client may terminate an engagement by providing written notice within five days of signing a retainer agreement. Additionally, either party may terminate an agreement, without penalty, at any time upon 30 days written notice. Any prepaid but unearned fees will be promptly refunded by Advisor. Any fees that have been earned but not yet paid by Client will be due and payable.

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

Advisor does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

Advisor provides comprehensive financial planning and investment advisory services primarily to individuals and families. We strive to work with people from all different walks of life. As such, we maintain no minimum net-worth or asset requirements. As discussed above, your chosen relationship agreement and fee will be based upon your individual circumstances.

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

The main sources of information Advisor may rely upon when researching and analyzing securities will include traditional research materials such as financial newspapers and magazines, annual reports, prospectuses, filings with the SEC, as well as research materials prepared by others, company press releases and corporate rating services. Advisor also subscribes to various professional publications deemed to be consistent and supportive of Advisor's investment philosophy.

Moreover, Advisor approaches investment portfolio analysis and implementation based on internal factors such as your tax situation, overall risk tolerance, current financial situation, and your personal goals and aspirations. After identifying these items, your portfolio will be structured around your individual needs, while minimizing negative effects of external factors, such as interest rates, market performance, and the economy as a whole.

In general, Advisor recommends no-load mutual funds (i.e., mutual funds that have no sales fees), exchange traded funds, U.S. government securities, money market accounts, certificates of deposit, and individual bonds (corporate, agency and municipal). However, in the course of providing investment advice, Advisor may address issues related to other types of assets that you may already own. Any other products that may be deemed appropriate for you will be discussed, based upon your goals, needs and objectives.

Any investing in securities involves risk of loss that clients should be prepared to bear. While Advisor will use its best judgment and good faith efforts in rendering services to client, not every investment decision or recommendation made by Advisor will be profitable. Advisor cannot warrant or guarantee any particular level of account performance, or that an Account will be profitable over time. Client assumes all market risk involved and understands that investment decisions are subject to various market, currency, economic, political and business risks.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of BlueSail Advisors LLC or the integrity of BlueSail Advisors LLC's management. Advisor has no information to disclose applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Advisor may participate in financial industry activities through attendance at national and local conferences and seminars, participation in study-groups and through on-line instruction and discussion forums. Advisor strives to remain current in the financial planning profession.

Item 11 – Code of Ethic; Participation or Interest in Client Transactions and Personal Trading

Although Advisor believes that its business methodologies, ethics rules, and adopted policies are appropriate to eliminate, or at least minimize, potential material conflicts of interest, and to appropriately manage any material conflicts of interest that may remain, clients should be aware that no set of rules can possibly anticipate or relieve all potential material conflicts of interest. In any event, Advisor will disclose to advisory Clients any material conflict of interest relating to Advisor, its representatives, or any of its employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

BlueSail Advisors LLC seeks to avoid material conflicts of interest. Accordingly, neither Advisor nor its investment adviser representatives nor its team members receive any third party direct monetary compensation (i.e., commissions, 12b-1 fees, or other fees) from brokerage firms (custodians) or mutual fund companies.

However, some additional services and non-direct monetary or other forms of compensation may be offered and provided to Advisor as a result of its relationships with custodian(s) and/or providers of mutual fund products. For example, Advisor's representatives and employees may be invited to attend educational conferences and/or entertainment events sponsored by such brokerage firms or custodians or mutual fund companies. Advisor believes that the services and benefits provided to it by brokerage firms (custodians) and mutual fund providers do not materially affect the investment management recommendations made to clients. However, in the interest of full disclosure of any potential conflicts of interest, we discuss the possible conflicts herein.

Participation or Interest in Client Transactions and Personal Trading

Advisor does not currently participate in securities in which it has a material financial interest. Advisor and its related persons, as a matter of policy, do not recommend to clients, or buy or sell for client accounts, securities in which the firm or its related persons has a material financial interest. Advisor or individuals associated with Advisor may buy and sell some of the same securities for its own account that Advisor buys and sells for its Clients. When appropriate the Advisor will purchase or sell securities for Clients before purchasing or selling the same securities for Advisor's own account. In some cases Advisor may buy or sell securities for its own account for reasons not related to the strategies adopted by the Advisor's Clients.

Certain classes of securities, such as open ended mutual funds, are designated as exempt transactions, meaning employees may trade these without prior permission because such trades would not materially interfere with the best interest of Advisor's clients. Nonetheless, because the Code of Ethics permits employees to invest in the same securities as clients, there is a possibility that employees might somehow benefit from the market activity of a client. Accordingly, when applicable, Employee trading is monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Advisor and its clients.

Advisor will disclose to advisory Clients any material conflict of interest relating to Advisor, its representatives, or any of its employees which could reasonably be expected to impair the rendering of unbiased and objective advice. Advisor will notify Clients in advance of its policies in respect to officers trading for their own account including the potential conflict of interest that arises when recommending securities to Clients in which Advisor or its principal holds a position.

Item 12 – Brokerage Practices

Advisor may use its discretion when recommending a broker-dealer. Client is not obligated to effect transactions through any broker-dealer recommended by Advisor. By directing brokerage, i.e. recommending a broker-dealer, we may be unable to achieve most favorable execution of client transaction; and this practice may cost clients more money. However, when recommending a broker-dealer the Advisor will comply with its fiduciary duty to obtain best execution and with the Securities Exchange Act of 1934, and will take into account such relevant factors as:

- Price;
- The broker-dealer's facilities, reliability and financial responsibility;
- The ability of the broker-dealer to effect transactions, particularly with regard to such aspects as timing, order size and execution of order;

- The research and related brokerage services provided by such broker or dealer to the Advisor, notwithstanding that the account may not be the direct or exclusive beneficiary of such services;
- And, any other factors the Advisor considers to be relevant.

However, if the Client selects the broker-dealer of their own choosing, we may be unable to seek best execution of your transactions, and your commission costs may be different than those of our recommended broker-dealers. In addition, we may place your transactions after we place transactions for Clients using our recommended broker-dealers.

Subject to Section 28(e) of the Securities Exchange Act of 1934, as amended ("Exchange Act"), we may recommend broker-dealers who charge transaction fees that are in excess of the amount of transaction fees charged by other broker-dealers in recognition of their research, seminar and execution services. These benefits are generally considered to be "soft dollar" arrangements. But for soft dollar arrangements, we would have to obtain these types of services and products for cash. As a result of receiving such products and services for no cost, we have an incentive to recommend broker-dealers to Clients that offer soft dollar arrangements.

Because the above interests are in conflict with the Clients' interest of obtaining the lowest commission rate available, we are required to periodically evaluate, and determined in good faith, based on the "best execution" policy stated above that transaction fees are reasonable in relation to the value of the services provided.

BlueSail does not aggregate trades.

Item 13 – Review of Accounts

Todd Shears, owner of BlueSail Advisors LLC, is responsible for reviewing and assessing financial recommendations made to you. Factors triggering review may include significant changes in your financial condition, changes in the fundamentals of the companies or entities issuing securities, price fluctuations and significant economic or industry developments. Financial planning clients receive financial plan recommendations periodically during the term of their engagement of Advisor.

If you maintain any brokerage account(s), your custodian will provide a statement at least quarterly which includes a list of all assets held in the account, asset values, and all transactions affecting the account assets, including any additions or withdrawals.

Item 14 - Client Referrals and Other Compensation

BlueSail Advisors LLC is a fee-only financial planning firm and does not sell insurance or investment products, nor does it accept commissions as a result of any product recommendations. At the client's request, Advisor may recommend other professionals, i.e.; attorneys, accountants, insurance brokers, and mortgage brokers that Advisor has found to be reliable. Advisor does not pay referral or finder's fees, nor does it accept such fees from other firms or individuals.

Item 15 – Custody

Except for the ability to directly deduct advisory fees from custodial accounts, Advisor does not have custody over Client funds and securities. Accordingly, Advisor shall have no liability to the Client for any loss or other harm to any property in the account. Clients will receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains client's investment assets. Advisor urges all clients to carefully review such statements and compare such official custodial records to any statements that we may provide to you. Advisor may also provide clients with periodic reports on client's account. These reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

At the client's request, BlueSail Advisors LLC may execute the sale and/or purchase of investments where authorized to do so by you on a non-discretionary basis. Non-discretionary refers to the requirement to obtain your express permission and approval, on each individual trade. Although you may wish to sign a written Limited Power of Attorney your Full Retainer Agreement specifically prohibits us from making trades in client accounts without such having obtained agreement on the trade beforehand.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, Advisor does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. At the request of a client, Advisor may provide advice to clients regarding the clients' voting of proxies. To obtain advice regarding voting your proxies please contact BlueSail with the information listed on the cover of this brochure. We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

Item 18 – Financial Information

Registered investment Advisors are required to provide you with certain financial information or disclosures about their financial condition. Advisor has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Item 19 – Requirements for State-Registered Advisors

EDUCATION & BUSINESS BACKGROUND

Todd T. Shears DOB: April 28, 1959

Education:

Grand Valley State University, Allendale, MI
BS, Political Science, 1982

Georgetown University, Washington, DC
Certificate in Financial Planning, 2004

Business Background:

Independent Consultant - August 1998 to December 2007. Clients included: Bank One, T. Rowe Price, MIRA Digital Publishing, E*Trade Financial

Disciplinary Information: not applicable

Other Business Activities: not applicable

Additional Compensation: not applicable