

**Item 1: Cover Sheet**

FORM ADV PART 2A  
INFORMATIONAL BROCHURE



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MAY 12, 2017

**This brochure provides information about the qualifications and business practices of Blue Blaze Financial Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 732.333.8160 or via email at [ftc@blueblazefa.com](mailto:ftc@blueblazefa.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. Our registration does not imply a certain level of skill or training.**

**Additional information about Blue Blaze Financial Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2: Statement of Material Changes**

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Blue Blaze Financial Advisors, LLC is required to disclose any material changes to this ADV Part 2A. There is one material change to report. The firm's new principal place of business has changed from 25 Bridge Avenue, Suite 203-C, Red Bank, New Jersey 07701 to 101 Crawfords Corner Road, Suite 1-104R, Holmdel, New Jersey 07730.

### Item 3: Table of Contents

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## INFORMATIONAL BROCHURE BLUE BLAZE FINANCIAL ADVISORS, LLC

### Item 4: Advisory Business

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Blue Blaze Financial Advisors, LLC (Blue Blaze) has been in business since March 24, 2014. The firm is principally owned by its Managing Member, Frank J. Corrado, Jr., and its Chief Compliance Officer, Frank T. Corrado.

Blue Blaze provides comprehensive financial planning and investment advisory services, tax, estate planning, risk management, retirement planning and business development services. Blue Blaze's goal is to partner with clients to foster deep relationships with them and an understanding of their unique situations. Clients advised may include high net worth individuals, individuals, families, and corporations.

Blue Blaze acts as a financial life planner for its clients, helping them to set goals and meet those goals in a tangible way. Blue Blaze clients have not only a wealth manager, but a financial coach whose goal it is to educate clients, and assist them in creating options for themselves and choosing the best avenues for the client. The process typically begins with information gathering, and moves on to analysis of the current financial situation. Recommendations are provided and in most cases Blue Blaze supports clients in the implementation of recommended solutions.

Part of wealth management services includes asset management services. Asset management services will generally be provided on a "discretionary" or on a "non-discretionary" basis. When Blue Blaze is engaged to provide asset management services on a discretionary basis, we will monitor your accounts to ensure that they are meeting your asset allocation requirements. If any changes are needed to your investments, we will make the changes. These changes may involve selling a security or group of investments and buying others or keeping the proceeds in cash. You may at any time place reasonable restrictions on the types of investments we may use on your behalf, or on the allocations to each security type. You will receive written or electronic confirmations from your account custodian after any changes are made to your account. You will also receive statements at least quarterly from your account custodian. Clients engaging us on a discretionary basis will be asked to execute a Limited Power of Attorney (granting us the discretionary authority over the client accounts) as well as the Wealth Management Agreement that outlines the responsibilities of both the client and Blue Blaze. Services are the same as for discretionary accounts though in "non-discretionary" agreements, except Blue Blaze will receive permission from the client before implementing a recommendation.

Blue Blaze offers a variety of service options:

#### WEALTH MANAGEMENT SERVICES

***Ideal For:*** Affluent clients looking to establish a trusted relationship with an advisor that abides by fiduciary standards. They value a consultative process and appreciate the holistic approach to financial opportunities and the ability to have the implementation of recommendations across multiple professional disciplines coordinated by one advisor.

***Description:*** A bundled service offering providing comprehensive financial, investment, insurance, estate and tax planning for higher net worth individuals or families.

**Services:** It is expected that a wealth management relationship would involve increased levels, variety and complexity of income, net worth and investments. In addition to a more focused level of Client Service, a Wealth Management relationship can support the following unique financial needs:

|                                   |                                     |
|-----------------------------------|-------------------------------------|
| Growing Wealth Rapidly            | Preserving & Protecting Wealth      |
| Getting to Financial Independence | Staying Financial Independent       |
| Tax Efficient Education Funding   | Inter-generational Planning/Gifting |
| Career Assessment/Opportunities   | Health Care/Leisure Time            |
| Executive Compensation            | Pension & Social Security Decisions |
| (High) Tax Bracket Management     | (Low) Tax Bracket Management        |
| Teaching Children about Money     | Caring for Elderly Parents          |
| Goal Refinement                   | Goal Realization                    |

**Pricing:** A wealth management relationship is intended to provide holistic financial planning, tax and investment services for a flat fee (Please see Item 5 of this brochure) based on a client's marketable net worth at the start of the annual billing cycle. Our minimum fee is \$5,000.

## FINANCIAL PLANNING

**Ideal For:** Those who seek a comprehensive review of their financial situation with execution support and on-going access to their financial advisor. Additional services are available depending on the specific need. Considered a price sensitive option for young professionals and individuals in the early wealth accumulation stage of their life cycle, The Financial Planning offering can be tailored to what clients want and/or need to satisfy current needs and pave the way for future success.

**Description:** Comprehensive financial planning services delivered within the context of an on-going client/advisor relationship including execution support.

### **Services:**

- i. *Financial Planning*

|                           |                                      |
|---------------------------|--------------------------------------|
| Goal Setting              | Understand Net Worth & Cash Flow     |
| Employee Benefit Planning | Investment/401k Counseling           |
| Income Tax Planning       | Insurance Planning & Risk Management |
| Beneficiary Planning      | Financial Literacy                   |
- ii. *Tax Preparation & Advanced Planning*
- iii. *Cash Flow & Liability Management*
- iv. *Investment Management*

**Pricing:** (Financial Planning services are required as a pre-requisite to other service offerings)

- i. *Financial Planning:* Annual fee of \$1,500- \$3,500 depending on the complexity of the situation.
- ii. *Tax Preparation & Advanced Planning:* \$500-\$1,500 annually depending on the expected complexity and estimated time required to deliver tax services.
- iii. *Cash Flow & Liability Management:* \$50- \$150 monthly depending on level of client commitment/involvement and the volume of transactions.
- iv. *Investment Management:* 50bp (.0050%) on investment balances up to \$500,000.

## FINANCIAL REVIEW

**Ideal For:** Those needing advice about a specific aspect of their financial situation and feel comfortable with the execution of any recommendations without an on-going relationship.

**Description:** A financial “checkup”. Consists of a 2-3 hour meeting in our Holmdel office or a video conference call if more convenient covering the three most critical areas of concern for the client. Meeting time span will not allow for a comprehensive review of a client’s financial situation

**Services:** Topics suitable for review (not inclusive):

- Tax Planning for the Current Year
- Appropriateness of Current Asset Allocation including assessment of Risk Tolerance
- Evaluation of Current Investments
- Fundamentals of “Fiscal Fitness” & Basic Personal Finance Concepts
- Review of current employee benefits
- Retirement/Financial Independence Analysis
- Portfolio Structuring in Retirement
- Inter-generational & Legacy Planning
- Adequacy of risk management including insurance coverage

**Pricing:** Regular fee is \$950 with a special rate of \$850 for qualified referrals.

If you request, Blue Blaze may recommend the services of other professionals for implementation purposes. You are under no obligation to engage the services of any such recommended professional. You retain absolute discretion over all such implementation decisions and are free to accept or reject any recommendation from Blue Blaze. If you engage any professional recommended by Blue Blaze, and a dispute arises thereafter relative to such engagement, you agree to seek recourse exclusively from and against the engaged professional.

## WRAP FEE PROGRAM

Blue Blaze does not participate in a wrap fee program.

## ASSETS UNDER MANAGEMENT

As of February 9, 2017 Blue Blaze had \$135,254,644 in assets under management on a discretionary basis across 404 accounts and \$1,892,061 in assets under management on a non-discretionary basis across 15 accounts.

## Item 5: Fees and Compensation

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### A. Fees Charged

#### WEALTH MANAGEMENT

All investment management clients will be required to execute a Wealth Management Agreement that will describe the type of management services to be provided and the fees, among other items. Clients are advised that they may pay fees that are higher or lower than fees they may pay another advisor for the same services, and may in fact pay lower fees for comparable services from other sources. Clients are under no obligation at any time to engage or to continue to engage, Blue Blaze for investment services.

Blue Blaze’s negotiable annual Wealth Management fee is based off of the client’s marketable net worth (MNW). Included in a client’s MNW are asset owned or in trusts and U.S. or foreign assets (i.e. brokerage

accounts, 401(k), real estate (net of mortgages, etc. Excluded are any assets which cannot or will not be disposed of in a structured and liquid market (i.e. charitable gift fund, unsecured debt, personal property etc.). The calculation of the MNW will then determine the client's annual fee based on the fee schedule below. The fee schedule is stated as a guide. Fees are negotiable, and may be higher or lower than this range, based on the nature of the account and the complexity of asset structures, and other factors. All clients, but especially those with smaller accounts, should be advised they may receive similar services from other professionals for higher or lower overall costs.

#### FEE SCHEDULE

| Marketable Net Worth | Annual Fee        |
|----------------------|-------------------|
| \$1mm-\$2mm          | \$7,500           |
| \$2mm-\$3mm          | \$12,500          |
| \$3mm-\$4mm          | \$17,000          |
| \$4mm-\$5mm          | \$21,000          |
| \$5mm-\$6mm          | \$24,000          |
| \$6mm-\$7mm          | \$28,500          |
| \$7mm-\$8mm          | \$31,500          |
| \$8mm-\$9mm          | \$35,000          |
| \$9mm-\$10mm         | \$38,000          |
| \$10mm+              | <b>Negotiated</b> |

#### FINANCIAL REVIEW SERVICES

Blue Blaze charges \$950 for a three-hour financial review consultation, or \$850 if the financial review client is referred by an existing client. The fee is payable in two equal installments, one-half at the signing of the agreement and the other half at the time of the consultation. Clients may cancel the financial review services at any time by providing written notice. Upon cancellation, Blue Blaze will present the client with an invoice for time spent, which is payable upon receipt.

#### TAX PREPARATION SERVICES

If specifically requested by a client, Blue Blaze may provide clients with tax preparation services on a stand-alone, separate fee basis. Blue Blaze's tax preparation fees are negotiable, but are generally \$750 on a fixed fee basis per tax year, depending upon the level and scope of the service(s) required.

#### B. Fee Payment

Clients may elect to have the Blue Blaze's management fees deducted from their custodial account. An addendum to the Wealth Management Agreement and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of the Wealth Management fee and to directly remit that management fee to Blue Blaze in compliance with regulatory procedures. In the limited event that Blue Blaze bills the client directly, payment is due upon receipt of the Blue Blaze's invoice. The Blue Blaze shall deduct fees and/or bill clients quarterly in advance, based upon agreed annual retainer incorporated into the Wealth Management Agreement.

#### C. Other Fees

There are a number of other fees that can be associated with holding and investing in securities. You will be responsible for fees including transaction fees for the purchase or sale of a mutual fund or Exchange Traded Fund, or commissions for the purchase or sale of a stock. Expenses of a fund will not be included

in management fees, as they are deducted from the value of the shares by the mutual fund manager. For complete discussion of expenses related to each mutual fund, you should read a copy of the prospectus issued by that fund. Blue Blaze can provide or direct you to a copy of the prospectus for any fund that we recommend to you.

Please make sure to read Item 12 of this informational brochure, where we discuss broker-dealer and custodial issues.

#### D. Pro-rata Fees

If you become a client during a quarter, you will pay a management fee for the number of days left in that quarter. If you terminate our relationship during a month, you will be entitled to a refund of any management fees for the remainder of the month. Once your notice of termination is received, we will assess pro-rated fees for the number of days between the end of the prior billing period and the date of termination to be paid in whatever way you direct (check, wire). Blue Blaze will cease to perform services, including processing trades and distributions, upon termination. Assets not transferred from terminated accounts within 30 (thirty) days of termination may be “de-linked”, meaning they will no longer be visible to Blue Blaze and will become a retail account with the custodian.

#### E. Compensation for the Sale of Securities.

This item is not applicable, as neither Blue Blaze nor any of its associated persons receives any compensation for the sale of securities.

### **Item 6: Performance-Based Fees**

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Neither Blue Blaze nor any supervised person of Blue Blaze accepts performance-based fees.

### **Item 7: Types of Clients**

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Blue Blaze’s clients generally include: individuals, high net worth individuals, and business entities. Blue Blaze generally requires a minimum annual Wealth Management fee of \$5,000 for the first year. Blue Blaze, in its sole discretion, may charge a lesser investment management fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

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

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It is important for you to know and remember that all investments carry risks. Investing in securities involves risk of loss that clients should be prepared to bear.

#### **METHODS OF ANALYSIS AND INVESTMENT STRATEGIES**

Each client’s portfolio will be invested according to that client’s investment objectives. We determine these objectives by interviewing the client and/or asking the client to put these objectives in writing. Once we ascertain your objectives for each account, we will develop a set of asset allocation guidelines. An asset allocation strategy is a percentage-based allocation to different investment types, which may be asset classes, sectors, industries, or security types. For example, a client may have an asset allocation strategy

that calls for 40-60% of the portfolio to be invested in equity securities, with 20% of that allocated to international equities and the remaining balance in fixed income. Another client may have an asset allocation of 50-60% in fixed income securities and the remainder equities. The percentages in each type that we recommend are based on the typical behavior of that asset type, asset classes that we follow, current market conditions, your current financial situation, your financial goals, and the timeline to get you to those goals. Because we develop an investment strategy based on your personal situation and financial goals, your asset allocation guidelines may be similar to or different from another client's. Once we agree on allocation guidelines, risk tolerance, time horizon, and how to achieve these results, we will develop a written investment policy statement to guide all parties involved in the execution of these goals, including but not limited to, Blue Blaze, the client, the custodian, and the investment managers.

Upon completion of the investment policy statement, we will periodically recommend securities transactions in your portfolio to meet the guidelines of the asset allocation strategy. It is important to remember that because market conditions can vary greatly, your asset allocation guidelines are not necessarily strict rules. Rather, we review accounts and/or households individually, and may deviate from the guidelines as we believe or agree necessary.

The specific securities we recommend for your account will depend on market conditions and our research at the time. Generally, we recommend a mix of mutual funds, index funds, exchange traded funds, stocks, bonds and options. Specific funds are chosen based on where its investment objective fits into the asset allocation recommended by Blue Blaze, its risk parameters, past performance, peer rankings, fees, expenses, and any other aspects of the fund Blue Blaze deems relevant to that particular fund. We base our conclusions on predominantly publicly available research, such as regulatory filings, press releases, competitor analyses, and in some cases research we receive from our custodian or other market analyses. We will also utilize technical analyses, which means that we will review the past behaviors of the security and the markets in which it trades for signals as to what might happen in the future.

#### MODERN PORTFOLIO THEORY

MPT holds that clients may seek to reduce risk through diversification, which is the process of spreading investment assets among numerous investments. When following MPT, Blue Blaze allocates or recommends that clients allocate investment assets seeking to provide the greatest return for any given level of investment risk.

#### EFFICIENT MARKET HYPOTHESIS

EMH holds that the financial markets do not allow investors to earn above-average returns without accepting above average risks. EMH does not necessarily mean that markets are rational, or that they always price assets accurately. In the short-term, investments can become over-valued or under-valued. Over long periods of time, however, EMH holds that investment prices should accurately reflect the earnings growth of their underlying assets. Research supporting EMH shows the evidence is overwhelming that however inconsistent and irregular the behavior of stock prices may be, the market does not create trading opportunities that enable investors to earn extraordinary risk adjusted returns.

Following MPT and EMH does not protect an account, investment, or client from investment losses, including the loss of the entire amount invested. Future security returns are unknown. Accounts may decrease in value, and emotional decisions that are inconsistent with a client's long-term investment strategy may result in losses. Similarly, even decisions that are consistent with a client's long-term investment strategy may lead to the same result. Investing in securities involves risk of loss that clients should be prepared to bear.

## LIABILITY DRIVEN INVESTING

LDI is an institutional investment strategy popular with pension funds looking to match a stream of payments to retirees. In the age of the 401(k), individuals must look to their own portfolios to generate pension like income.

Retirees face the same inflow-outflow problem that pension fund managers face except that retirees' liabilities are the withdrawals from their portfolios to replace their paychecks. In the financial planning process, we specify how much a client will need to withdraw each year over their lifetimes. This specified stream of income represents a stream of liabilities that makes LDI a natural fit for retirement. Under dedicated portfolio theory, an income-matching portfolio can be characterized as a smart bond ladder, whereby the portfolio matches a target income stream through a combination of coupon interest and bond redemptions. Duration of the portfolio cash flows is matched to the client-specified income needs; the portfolio is thus fully immunized against interest rate risk without needing to be hedged.

The investing environment of de-cumulation is fundamentally different from that of accumulation. Retirees must make their portfolios last a lifetime. Most retirees require a withdrawal rate that is higher than the yield curve on government bonds, which means that they must take on the uncertainty of equity investments to achieve a return rate that is high enough to reach their financial goals. Taking on equity exposure, however, introduces a number of risks that need to be managed, including longevity risk. Using an income-matching LDI approach for the fixed-income portion of their overall asset allocation helps manage many of these risks and ultimately helps retirees achieve their retirement goals. Blue Blaze has entered a collaborative arrangement with Asset Dedication, LLC to implement LDI portfolios.

Blue Blaze has engaged Asset Dedication, LLC ("Asset Dedication"), an unaffiliated investment adviser as a sub-advisor to assist Blue Blaze with the management of some client accounts. Asset Dedication shall be assigned responsibility for the day-to-day management of the assets allocated to it, and granted discretionary authority to determine the securities to be purchased and sold for such client accounts. Blue Blaze may recommend Asset Dedication's investment strategy and services to clients, when appropriate, based on each client's individual needs. In this respect, Blue Blaze will describe the investment programs and strategies available from Asset Dedication only in relation to the client's stated investment objectives and risk tolerance. Because the client will typically have little or no direct contact with Asset Dedication, Blue Blaze shall remain available to answer questions the client may have regarding their account.

Asset Dedication periodically delivers up-to-date program descriptions for use by Blue Blaze. Blue Blaze will forward the client's relevant financial information and investment objectives to Asset Dedication. Asset Dedication will then conduct a final review of the client's selection to assess whether it is appropriate given the client's stated risk tolerance and objectives. Asset Dedication is not responsible for confirming the accuracy of the information provided by the client to Blue Blaze.

Additionally, part of the Blue Blaze process includes, where appropriate, involving multiple generations in order to facilitate family financial planning. This can increase the financial education of the later generations and manage expectations. However, potential for conflicts of interest exist with the exchange of intergenerational information. Blue Blaze attempts to minimize these conflicts by treating each household as its own fiduciary relationship. Information can only be shared across generations with each household's consent.

## RISK OF LOSS

There are always risks to investing. **Clients should be aware that all investments carry various types of risk including the potential loss of principal that clients should be prepared to bear.** It is impossible to name all possible types of risks. Among the risks are the following:

- **POLITICAL RISKS.** Most investments have a global component, even domestic stocks. Political events anywhere in the world may have unforeseen consequences to markets around the world.
- **GENERAL MARKET RISKS.** Markets can, as a whole, go up or down on various news releases or for no understandable reason at all. This sometimes means that the price of specific securities could go up or down without real reason, and may take some time to recover any lost value. Adding additional securities does not help to minimize this risk since all securities may be affected by market fluctuations.
- **CURRENCY RISK.** When investing in another country using another currency, the changes in the value of the currency can change the value of your security value in your portfolio.
- **REGULATORY RISK.** Changes in laws and regulations from any government can change the value of a given company and its accompanying securities. Certain industries are more susceptible to government regulation. Changes in zoning, tax structure or laws impact the return on these investments.
- **TAX RISKS RELATED TO SHORT TERM TRADING.** Clients should note that Blue Blaze may engage in short-term trading transactions. These transactions may result in short term gains or losses for federal and state tax purposes, which may be taxed at a higher rate than long term strategies. Blue Blaze endeavors to invest client assets in a tax efficient manner, but all clients are advised to consult with their tax professionals regarding the transactions in client accounts.
- **PURCHASING POWER RISK.** Purchasing power risk is the risk that your investment's value will decline as the price of goods rises (inflation). The investment's value itself does not decline, but its relative value does, which is the same thing. Inflation can happen for a variety of complex reasons, including a growing economy and a rising money supply.
- **BUSINESS RISK.** This can be thought of as certainty or uncertainty of income. Management comes under business risk. Cyclical companies (like automobile companies) have more business risk because of the less steady income stream. On the other hand, fast food chains tend to have steadier income streams and therefore, less business risk.
- **FINANCIAL RISK.** The amount of debt or leverage determines the financial risk of a company.
- **DEFAULT RISK.** This risk pertains to the ability of a company to service their debt. Ratings provided by several rating services help to identify those companies with more risk. Obligations of the U.S. government are said to be free of default risk.
- **MARGIN RISK.** "Margin" is a tool used to maximize returns on a given investment by using securities in a client account as collateral for a loan from the custodian to the client. The proceeds of that loan are then used to buy more securities. In a positive result, the additional securities provide additional return on the same initial investment. In a negative result, the additional securities provide additional losses. Margin therefore carries a higher degree of risk than investing without margin. Any client account that will use margin will do so in accordance with Regulation T. Blue Blaze may utilize margin on a limited basis for clients with higher risk tolerances.
- **SHORT SALES.** "Short sales" are a way to implement a trade in a security Blue Blaze feels is overvalued. In a "long" trade, the investor is hoping the security increases in price. Thus in a long trade, the amount of the investor's loss (without margin) is the amount paid for the security. In a short sale, the investor is hoping the security decreases in price. However, unlike a long trade where the price of the security can only go from the purchase price to zero, in a short sale, the price of the security can go infinitely upwards. Thus in a short sale, the potential for loss is unlimited and unknown,

where the potential for loss in a long trade is limited and knowable. Blue Blaze utilizes short sales only when the client's risk tolerances permit.

- **INFORMATION RISK.** All investment professionals rely on research in order to make conclusions about investment options. This research is always a mix of both internal (proprietary) and external (provided by third parties) data and analyses. Even an adviser who says they rely solely on proprietary research must still collect data from third parties. This data, or outside research is chosen for its perceived reliability, but there is no guarantee that the data or research will be completely accurate. Failure in data accuracy or research will translate to a compromised ability by the adviser to reach satisfactory investment conclusions.
- **SMALL COMPANIES.** Some investment opportunities in the marketplace involve smaller issuers. These companies may be starting up, or are historically small. While these companies sometimes have potential for outsized returns, they also have the potential for losses because the reasons the company is small are also risks to the company's future. For example, a company's management may lack experience, or the company's capital for growth may be restricted. These small companies also tend to trade less frequently than larger companies, which can add to the risks associated with their securities because the ability to sell them at an appropriate price may be limited compared to the markets as a whole. Not only do these companies have investment risk, if a client is invested in such small companies and requests immediate or short term liquidity, these securities may require a significant discount to value in order to be sold in a shorter time frame.
- **CLIENT OBLIGATIONS.** In performing its services, Blue Blaze shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify Blue Blaze if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Blue Blaze's previous recommendations and/or services.
- **CONCENTRATION RISK.** While Blue Blaze selects individual securities, including mutual funds, for client portfolios based on an individualized assessment of each security, this evaluation comes without an overlay of general economic or sector specific issue analysis. This means that a client's equity portfolio may be concentrated in a specific sector, geography, or sub-sector (among other types of potential concentrations), so that if an unexpected event occurs that affects that specific sector or geography, for example, the client's equity portfolio may be affected negatively, including significant losses.
- **TRANSITION RISK.** As assets are transitioned from a client's prior advisers to Blue Blaze there may be securities and other investments that do not fit within the asset allocation strategy selected for the client. Accordingly, these investments will need to be sold in order to reposition the portfolio into the asset allocation strategy selected by Blue Blaze. However, this transition process may take some time to accomplish. Some investments may not be unwound for a lengthy period of time for a variety of reasons that may include high capital gains embedded within the investment, unwarranted low share prices, restrictions on trading, contractual restrictions on liquidity, or market-related liquidity concerns. In some cases, there may be securities or investments that are never able to be sold. The inability to transition a client's holdings into recommendations of Blue Blaze may adversely affect the client's account values, as Blue Blaze's recommendations may not be able to be fully implemented.
- **RESTRICTION RISK.** Clients may at all times place reasonable restrictions on the management of their accounts. However, placing these restrictions may make managing the accounts more difficult, thus lowering the potential for returns.
- **RISKS RELATED TO INVESTMENT TERM & LIQUIDITY.** Securities do not follow a straight line up in value. All securities will have periods of time when the current price of the security is not an accurate measure of its value. If you require us to liquidate your portfolio during one of these periods, you will not realize as much value as you would have had the investment had the opportunity to regain its value. Further, some investments are made with the intention of the investment appreciating over an extended period of time. Liquidating these investments prior to their intended time horizon may result in losses.

- A SPECIAL NOTE RELATED TO THE CALCULATION OF TAX BASIS: If a client is unable to provide information on cost basis for tax purposes for each investment at the onset of the client relationship, Blue Blaze will be unable to provide accurate cost basis information in the future. To the extent any cost basis calculation is ever performed for a client, such client should be aware that without accurate information, any cost basis estimates prepared by Blue Blaze will be based on the information available combined with certain assumptions as well as mathematical computation. Therefore, if the cost basis is not accurate at the onset of the relationship, there is no guarantee that Blue Blaze's calculations will be correct, and materially adverse tax circumstances may result.

## **Item 9: Disciplinary Information**

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There are no disciplinary items to report.

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

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### A. Broker-dealer

Neither principals of Blue Blaze, nor any related persons are registered, or have an application pending to register, as a broker dealer or as an associated person of the foregoing entities.

### B. Futures Commission Merchant/Commodity Trading Advisor

Neither principals of Blue Blaze, nor any related persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

### C. Relationship with Related Persons

Frank J. Corrado, Jr., in his individual capacity, is a certified public accountant, and may offer his tax preparation and/or accounting services upon request by a client. The recommendation by Mr. Corrado that a client utilize his accounting services outside the services provided by Blue Blaze would present a conflict of interest, as the receipt of fees for accounting services may provide an incentive to recommend such services, rather than recommending such services based upon a particular client's needs. No client is under any obligation to utilize Mr. Corrado for accounting services. Clients are reminded that they may elect to obtain accounting services through other non-affiliated certified public accountants.

### D. Recommendations of Other Advisers

While Blue Blaze may recommend the use of third party managers for client accounts, Blue Blaze does not receive any compensation from managers for placing assets with them. Further, there are no relationships with third party managers that would give rise to a conflict of interest.

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

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- A. A copy of our Code of Ethics is available upon request. Our Code of Ethics includes discussions of our fiduciary duty to clients, political contributions, gifts, entertainment, and trading guidelines.

- B. Not applicable. Blue Blaze does not recommend to clients that they invest in any security in which Blue Blaze or any principal thereof has any financial interest.
- C. On occasion, an employee of Blue Blaze may purchase for his or her own account securities which are also recommended for clients. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades must be reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.
- D. On occasion, an employee of Blue Blaze may purchase for his or her own account securities which are also recommended for clients at the same time the clients purchase the securities. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades must be reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

## **Item 12: Brokerage Practices**

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### **A. Recommendation of Broker-Dealer**

Blue Blaze recommends that investment accounts be held in custody by Fidelity Institutional Brokerage Group ("Fidelity"). Fidelity offers enhanced services to independent investment advisors. These services include custody of securities, trade execution platforms, and access to research not available to the general public. Fidelity is wholly independent from Blue Blaze. It is expected that most, if not all, transactions in a given client account will be cleared through the custodian of that account in its capacity as a broker-dealer.

Blue Blaze recommends Fidelity to its clients based on a variety of factors. These include, but are not limited to, commission costs. Fidelity has what can be considered discounted commission rates. However, in choosing a broker-dealer or custodian to recommend, we are most concerned with the value the client receives for the cost paid, not just the cost. Blue Blaze does not receive or share in any of the commissions that Fidelity charges. Fidelity adds value beyond commission cost. Other factors that may be considered in determining overall value include speed and accuracy of execution, financial strength, knowledge and experience of staff, research and service. Fidelity also has arrangements with many mutual funds that enable us to purchase these mutual funds for client accounts at reduced transaction charges (as opposed to other broker-dealers). Fidelity has the highest market share of investment adviser business which makes them the most experienced in matters likely to arise for our clients. Blue Blaze re-evaluates the use of Fidelity at least annually to determine if they are still the best value for our clients.

Fidelity provides us with some non-cash benefits (not available to retail customers) in return for placing client assets with them or executing trades through them. Such non-cash benefits are referred to as "soft dollars". Currently, these benefits come in the form of investment research and sponsored attendance at various investment seminars. We may also receive such items as investment software, books and research reports. These products, services, or educational seminars are items that will play a role in determining how to invest client accounts. If there is any item that has a multi-use aspect, mixed between investment and non-investment purposes, Blue Blaze will determine a reasonable allocation of investment

to non-investment use and soft dollars will be allocated only to the investment portion of the product (and we will pay the remaining cost). Blue Blaze receives a benefit from these services, as otherwise we would be compiling the same research ourselves. This may cause us, or another adviser, to want to place more client accounts with a broker-dealer/custodian such as Fidelity, solely because of these added benefits. However, the value to all of our clients of these benefits is included in our evaluation of custodians. Products and services received via soft dollars will generally be used for the benefit of all clients. However, it is possible that a given client's trades will generate soft dollars that acquire products and/or services that are not ultimately utilized for that same client's account. Soft dollars provide additional value, and are accordingly considered in determining which broker-dealer or custodian to utilize as part of our best execution analysis.

We do not consider whether Fidelity or any other broker-dealer/custodian, refers clients to Blue Blaze as part of our evaluation of these broker-dealers.

#### B. Aggregating Trades

Commission costs per client may be lower on a particular trade if all clients in whose accounts the trade is to be made are executed at the same time. This is called aggregating trades. Instead of placing a number of trades for the same security for each account, we will, when appropriate, execute one trade for all accounts and then allocate the trades to each account after execution. If an aggregate trade is not fully executed, the securities will be allocated to client accounts on a *pro rata* basis, except where doing so would create an unintended adverse consequence (For example, if a *pro rata* division would result in a client receiving a fraction of a share, or a position in the account of less than 1%.)

### Item 13: Review of Accounts

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All accounts will be reviewed by a senior professional on at least a quarterly basis. However, it is expected that market conditions, changes in a particular client's account, or changes to a client's circumstances will trigger a review of accounts.

The annual report in writing provided by Blue Blaze is intended to review asset allocation. All clients will receive statements and confirmations of trades directly from Fidelity. Additionally, all clients will receive quarterly itemized bills from Blue Blaze. Please refer to Item 15 regarding Custody.

### Item 14: Client Referrals and Other Compensation

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#### A. Economic Benefit Provided by Third Parties for Advice Rendered to Client.

Please refer to Item 12, where we discuss recommendation of Broker-Dealers.

#### B. Compensation to Non-Advisory Personnel for Client Referrals.

Neither Blue Blaze, nor any of its supervised persons compensate any individual for client referrals.

### Item 15: Custody

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Blue Blaze deducts fees from client accounts, but would not have custody of client funds otherwise. Clients will receive statements directly from Fidelity, and copies of all trade confirmations directly from Fidelity.

Clients whose fees are directly debited will provide written authorization to debit advisory fees from their accounts held by a qualified custodian chosen by the client. The client will receive a statement from their account custodian showing all transactions in their account, including the fee.

We encourage clients to carefully review the statements and confirmations sent to them by their custodian, and to compare the information on your quarterly report prepared by Blue Blaze against the information in the statements provided directly from Fidelity. Please alert us of any discrepancies.

## **Item 16: Investment Discretion**

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When Blue Blaze is engaged to provide asset management services on a discretionary basis, we will monitor your accounts to ensure that they are meeting your asset allocation requirements. If any changes are needed to your investments, we will make the changes. These changes may involve selling a security or group of investments and buying others or keeping the proceeds in cash. You may at any time place restrictions on the types of investments we may use on your behalf, or on the allocations to each security type. You may receive at your request written or electronic confirmations from your account custodian after any changes are made to your account. You will also receive monthly statements from your account custodian. Clients engaging us on a discretionary basis will be asked to execute a Limited Power of Attorney (granting us the discretionary authority over the client accounts) as well as a Wealth Management Agreement that outlines the responsibilities of both the client and Blue Blaze.

## **Item 17: Voting Client Securities**

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Copies of our Proxy Voting Policies are available upon request.

From time to time, shareholders of stocks, mutual funds, exchange traded funds or other securities may be permitted to vote on various types of corporate actions. Examples of these actions include mergers, tender offers, or board elections. Clients are required to vote proxies related to their investments, or to choose not to vote their proxies. Blue Blaze will not accept authority to vote client securities. Clients will receive their proxies directly from the custodian for the client account. Blue Blaze will not give clients advice on how to vote proxies.

## **Item 18: Financial Information**

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Blue Blaze does not require the prepayment of fees more than six (6) months or more in advance and therefore has not provided a balance sheet with this brochure.

There are no material financial circumstances or conditions that would reasonably be expected to impair our ability to meet our contractual obligations to our clients.

Item 1: Cover Sheet

FORM ADV PART 2B BROCHURE SUPPLEMENT:

**Frank T. Corrado**



101 CRAWFORDS CORNER ROAD, SUITE 1-104R | HOLMDEL, NEW JERSEY 07730  
732.333.8160 | WWW.BLUEBLAZEFA.COM

FRANK T. CORRADO, CHIEF COMPLIANCE OFFICER  
MAY 12, 2017

**This Brochure Supplement provides information about Frank T. Corrado that supplements the Blue Blaze Financial Advisors, LLC's Brochure; you should have received a copy of that Brochure. Please contact Frank T. Corrado if you did *not* receive Blue Blaze Financial Advisors, LLC's Brochure or if you have any questions about the contents of this supplement.**

**Additional information about Frank T. Corrado is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## Item 2: Education Background and Business Experience

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Frank T. Corrado was born in 1983. Mr. Corrado graduated from Boston College in 2006, with a Bachelor of Science degree in Finance. Mr. Corrado has served as Chief Operating Officer of Blue Blaze Financial Advisors, LLC (the "Registrant") since May of 2014. Mr. Corrado was an investment adviser representative of Lighthouse Financial Advisors, Inc. from November 2012 until July of 2014. From May 2010 to December 2011, Mr. Corrado was self-employed as a consultant. From February 2010 to May 2010, Mr. Corrado was a tax preparer at Bloch, Rothman Associates.

Mr. Corrado has been a CERTIFIED FINANCIAL PLANNER™ since 2012. The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (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) or two years of Apprenticeship experience that meets additional requirements; 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.

### **Item 3: Disciplinary Information**

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Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item for Frank T. Corrado.

### **Item 4: Other Business Activities**

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Frank T. Corrado does not participate in outside business activities. Not applicable.

### **Item 5: Additional Compensation**

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Other than salary, annual bonuses, or regular bonuses, Frank T. Corrado does not receive any economic benefit from any person, company, or organization, in exchange for providing clients advisory services through Blue Blaze Financial Advisors, LLC.

### **Item 6: Supervision**

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Frank T. Corrado is a principal of the firm, and also the firm's Chief Compliance Officer. He has no direct supervisor. However, all employees of Blue Blaze Financial Advisors, LLC are required to follow the supervisory guidelines and procedures manual which is designed to ensure compliance with applicable securities laws.

Item 1: Cover Sheet

FORM ADV PART 2B BROCHURE SUPPLEMENT:

**Frank J. Corrado, Jr.**



101 CRAWFORDS CORNER ROAD, SUITE 1-104R | HOLMDEL, NEW JERSEY 07730  
732.333.8160 | WWW.BLUEBLAZEFA.COM

FRANK T. CORRADO, CHIEF COMPLIANCE OFFICER  
MARCH 16, 2017

**This Brochure Supplement provides information about Frank T. Corrado that supplements the Blue Blaze Financial Advisors, LLC's Brochure; you should have received a copy of that Brochure. Please contact Frank J. Corrado, Jr. if you did *not* receive Blue Blaze Financial Advisors, LLC's Brochure or if you have any questions about the contents of this supplement.**

**Additional information about Frank J. Corrado, Jr. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## Item 2: Education Background and Business Experience

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Frank J. Corrado, Jr. was born in 1952. Mr. Corrado graduated from Boston College in 1974, with a Bachelor of Science degree in Finance. Mr. Corrado has been the President of Blue Blaze Financial Advisors, LLC (the "Registrant") since May of 2014. Mr. Corrado served as CEO of Lighthouse Financial Advisors, Inc. from January of 2005 until July of 2014.

Mr. Corrado has been a CERTIFIED FINANCIAL PLANNER™ since 1976. The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

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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) or two years of Apprenticeship experience that meets additional requirements; 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.

Mr. Corrado has held the designation of Certified Public Accountant (“CPA”) since 2005. CPAs are licensed and regulated by their state boards of accountancy. While state laws and regulations vary, the education, experience and testing requirements for licensure as a CPA generally include minimum college education (typically 150 credit hours with at least a baccalaureate degree and a concentration in accounting), minimum experience levels (most states require at least one year of experience providing services that involve the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, all of which must be achieved under the supervision of or verification by a CPA), and successful passage of the Uniform CPA Examination. In order to maintain a CPA license, states generally require the completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over a two year period or 120 hours over a three year period). Additionally, all American Institute of Certified Public Accountants (AICPA) members are required to follow a rigorous *Code of Professional Conduct* which requires that they act with integrity, objectivity, due care, competence, fully disclose any conflicts of interest (and obtain client consent if a conflict exists), maintain client confidentiality, disclose to the client any commission or referral fees, and serve the public interest when providing financial services. The vast majority of state boards of accountancy have adopted the AICPA’s *Code of Professional Conduct* within their state accountancy laws or have created their own.

### **Item 3: Disciplinary Information**

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Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item for Frank J. Corrado, Jr.

### **Item 4: Other Business Activities**

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Frank J. Corrado, Jr. does not participate in outside business activities. Not applicable.

### **Item 5: Additional Compensation**

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Other than salary, annual bonuses, or regular bonuses, Frank J. Corrado, Jr. does not receive any economic benefit from any person, company, or organization, in exchange for providing clients advisory services through Blue Blaze Financial Advisors, LLC.

### **Item 6: Supervision**

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Frank J. Corrado, Jr is supervised by the firm’s Chief Compliance Officer, Frank T. Corrado. Frank T. Corrado can be reached at 732.333.8160. In addition, all employees of Blue Blaze Financial Advisors, LLC are required to follow the supervisory guidelines and procedures manual which is designed to ensure compliance with applicable securities laws.