

Ellis Wealth Advisors LLC Client Brochure

This brochure provides information about the qualifications and business practices of Ellis Wealth Advisors LLC. If you have any questions about the contents of this brochure, please contact us at (312) 933-8937 or by email at: bob@elliswa.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 Ellis Wealth Advisors LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Ellis Wealth Advisors LLC's CRD number is: 153024

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

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Form ADV 2A

March 21, 2016

Item 2: Material Change

NONE

Item 3: Table of Contents

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Item 4: Advisory Business

A. Description of the Advisory Firm

This firm has been in business since March 23, 2010, and the principal owner is Robert Knowlton Ellis.

B. Types of Advisory Services

Ellis Wealth Advisors LLC (hereinafter "EWA") offers the following services to advisory clients:

Investment Supervisory Services

EWA offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. EWA creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan (the Investment Policy Statement) to aid in the selection of a portfolio that matches each client's specific situation. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

EWA evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. EWA will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

Investment Assets Under Advisement

This is similar to investment supervisory services except that EWA does not have discretionary authority and does not execute the transactions or trades. Also, EWA is not responsible for monitoring the portfolio on a daily basis. However, EWA is available to give investment advice when prompted by the client and will review the portfolio on a quarterly basis or when there are significant changes in the market. The client is responsible for providing statements to EWA on a quarterly basis or as needed. Advice will include asset allocation recommendation and analysis of investment choices generally excluding individual stocks and bonds. This advisory service is generally used for making investment choices for 401K and 403B type plans or as a service to other financial advisors. Note: investment advice can also be charged on an hourly basis.

Financial Planning

The process typically begins with an initial consultation. During or after this initial meeting, if the client decides to hire Ellis Wealth Advisors for the financial planning services, information and data about the client's financial and personal situation is collected. EWA will conduct follow up meetings to review and/or collect the aforementioned information/data, and to ascertain the client's expressed financial goals and objectives. Examples include Financial Documents including brokerage accounts, loan documents, bank accounts, as well as personal records and information. Tax Planning Documents such as W-2 or paycheck stubs, Retirement Planning Documents such as IRA's or 401(K), pension and profit sharing statements, asset protection documents such as life insurance, medical, homeowners insurance documents and Estate Planning Documents such as wills, power of attorney and living trusts.

After collecting this information and analyzing the data (and importantly taking into account the client's expressed financial goals and objectives) a written financial plan is produced and presented to the client. The objective of this process is to allow EWA to assist the client in developing a comprehensive strategy for the successful management of financial assets, liabilities and income in meeting the client's financial goals and objectives.

EWA's Financial Planning Services include hourly financial planning advice or a Fixed-rate comprehensive financial plan which will be delivered in written form to the client. Comprehensive Financial Plans include Cash Flow Planning/Analysis, Insurance Planning/Analysis, Education Planning if applicable, Retirement Planning, Estate Planning/Analysis, and Investment Planning/Portfolio Analysis. The final fee structure for these services is documented in Exhibit II of the Financial Planning Agreement.

Comprehensive Financial plans include the following:

Cash Flow Planning/Analysis- This includes an analysis of statements of net worth, including assets and liabilities, and analyzing cash flows and budgets. Financial objectives and goals will be set and prioritized. EWA may offer advice on general financial issues such areas to reduce spending and setting up an appropriate emergency fund.

Insurance Planning/Analysis- This includes analyzing existing risk exposures and insurance coverage. Recommendations are made based on the appropriate amount and combination of insurance types to meet a client's specific needs e.g. life insurance, health, auto, liability, home, disability and long-term care insurance. The pros and cons of different types of insurance will also be addressed.

Education/ Planning- This includes funding needs and sources of funding generally for

higher education. Alternatives will be analyzed and discussed including 529 plans as well as other sources such as Pell grants and loan programs. Education planning may not be necessary for some clients.

Retirement Planning/Analysis- This involves advice on accumulating wealth for retirement income and income needs in retirement. Also, how assets may be distributed following retirement. Tax consequences and their implications will be identified and evaluated.

Estate Analysis/Planning- This involves advice regarding property titling and ownership, distribution strategies, estate tax reduction, and tax payment techniques. Gifting strategies will also be addressed as well as tax consequences and their implications will be identified and address.

Investment Planning/Portfolio Analysis-This involves advice with respect to investment alternatives and portfolio management considerations for specific client portfolios. EWA will provide these services to individual accounts, joint accounts, custodial accounts, retirement accounts, among others. Advice will include asset allocations recommendations based on clients risk profile and objectives and possible long-term investment performance outcomes. Existing investments will be evaluated in terms of their appropriateness, economic and tax characteristics relative to the client's objectives and suitability. Tax consequences and their implication will be identified and evaluated. Advice may be given and recommendations made on specific investments such as mutual funds, ETFs, and other investments where we have expertise. The Investment Planning/Portfolio Analysis part of the comprehensive plan will often take the most amount of time depending on the number of accounts and investments.

Services Limited to Specific Types of Investments

EWA limits its investment advice and/or money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, real estate, hedge funds, third party money managers, REITs, some insurance products including annuities, and government securities. EWA may use other securities as well to help diversify a portfolio when applicable.

C. Client Tailored Services and Client Imposed Restrictions

EWA offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches 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 EWA from properly servicing the client account, or if the restrictions would require EWA to deviate

from its standard suite of services, EWA reserves the right to end the relationship.

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D. Wrap Fee Programs

EWA does not participate in any wrap fee programs.

E. Amounts Under Management

EWA has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$4,692,525	0	3/21/2016

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Item 5: Fees and Compensation

A. Fee Schedule

Investment Supervisory Services Fees

Total Assets Under Management	Annual Fee
\$1 - \$500,000	0.80%
\$500,001 - \$1,000,000	0.60%
Above \$1,000,000	0.50%

These fees are negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid quarterly in arrears, and clients may terminate their contracts with five days' written notice. Because fees are charged in arrears, no refund policy is necessary. Clients may terminate their accounts without penalty within 5 business days of signing the advisory contract.

Advisory fees are withdrawn directly from the client's accounts with client written authorization.

Investment Assets Under Advisement

There is a .25% annual rate of total assets under advisement for these services. Fees are paid quarterly in arrears based on the quarter end balance. Because fees are charged in arrears, no refund policy is necessary.

Comprehensive Financial Plan

Hourly Fee

For clients who only require advice on a single or a few aspects of their financial situation as opposed to a comprehensive financial or Investment Plan, EWA will provide that advice on an hourly basis at a rate of \$200. The Firm offers these clients specific financial planning and/or advisory services that address specific financial/investment areas. Generally these advisory services consist of verbal advice and a written plan is not delivered. The fee is due and payable upon completion of the consultation. Because fees are charged in arrears, no refund is necessary. Clients may terminate their contracts without penalty, for full refund, within 5 business days of signing the advisory contract.

B. Payment of Fees

Payment of Investment Supervisory Fees

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid quarterly in arrears.

Advisory fees may be invoiced and billed directly to the client with payments due within ten days after the end of the quarter. Clients may select the method in which they are billed.

Payment of Investment Assets Under Advisement

Investment Assets Under Advisement fees are billed directly to the client quarterly in arrears or can be deducted from a client's account with written client authorization.

Payment of Comprehensive Financial Plan

Hourly Financial Planning fees are paid via check in arrears upon completion. Because fees are charged in arrears, no refund is necessary.

C. Clients Are Responsible For Third Party Fees

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

D. Prepayment of Fees

EWA ~~generally does not~~ collect fees in advance. Fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination and the total days during the billing period. Fees will be returned within fourteen days to the client via check.

E. Outside Compensation For the Sale of Securities to Clients

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

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

EWA 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

EWA generally provides investment advice and/or management supervisory services to the following Types of Clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Trusts, Estates, or Charitable Organizations
- ❖ Corporations or Business Entities
- ❖ Other Advisors

Minimum Account Size

There is no account minimum.

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

A. Methods of Analysis and Investment Strategies

Methods of Analysis

EWA's methods of analysis include fundamental analysis and cyclical analysis.

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

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

Investment Strategies

EWA uses long term trading, short term trading, short sales, margin transactions, and options writing (including covered options, uncovered options, or spreading strategies).

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

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.

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, it changes the very cycles they are trying to take advantage of.

Investment Strategies

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short term trading, short sales, margin transactions, and options writing generally hold greater risk and clients should be aware that there is a chance of material risk of loss using any of those strategies.

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

C. Risks of Specific Securities Utilized

EWA generally recommends Passive Investment vehicles such as Index Funds and ETFs as well as some actively managed mutual funds and stocks and bonds. EWA will generally only recommend options for hedging and risk reduction purposes and not for speculating.

EWA generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. However, it will utilize short sales, margin transactions, and options writing. Short sales, margin transactions, and options writing generally hold greater risk of capital loss and clients should be aware that there is a chance of material risk of loss using any of those strategies.

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

Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business or the integrity of our management.

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Item 10: Other Financial Industry Activities and Affiliations

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

Neither EWA nor its representatives are registered as a broker/dealer or as representatives of a broker/dealer.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither EWA nor its representatives are registered as a FCM, CPO, or CTA.

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

Neither EWA nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

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

EWA does not utilize nor select other advisors or third party managers. All assets are managed by EWA management.

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

A. Code of Ethics

We have 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. Clients may request a copy of our Code of Ethics from management.

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B. Recommendations Involving Material Financial Interests

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

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of EWA may buy or sell securities for themselves that they also recommend to clients. EWA will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

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

From time to time, representatives of EWA may buy or sell securities for themselves at or around the same time as clients. EWA will trade client's non-mutual funds and non-ETF securities before they trade their own.

Item 12: Brokerage Practices

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

The Custodian, Scottrade, Inc., was chosen based on their relatively low transaction fees and access to mutual funds and ETFs. EWA will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

1. Research and Other Soft-Dollar Benefits

EWA receives no research, product, or service other than execution from a broker-dealer or third-party in connection with client securities transactions ("soft dollar benefits").

2. Brokerage for Client Referrals

EWA receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

EWA allows clients to direct brokerage. EWA may be unable to achieve most favorable execution of client transactions if clients choose to direct brokerage. This may cost clients money because without the ability to direct brokerage EWA may

not be able to aggregate orders to reduce transactions costs resulting in higher brokerage commissions and less favorable prices.

B. Aggregating (Block) Trading for Multiple Client Accounts

EWA maintains the ability to block trade purchases across accounts. While block trading may benefit clients by purchasing larger blocks in groups, we do not feel that the clients are at a disadvantage due to the best execution practices of our custodian.

Item 13: Reviews of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

Client accounts are reviewed daily only by Robert Knowlton Ellis, Managing Member. Robert Knowlton Ellis is the chief advisor and is instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at EWA are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Robert Knowlton Ellis, Managing Member. There is only one level of review and that is the total review conducted to create the financial plan.

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

Reviews 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

Each client will receive at least annually a written report detailing the client's account which may come from the custodian.

Clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

EWA does not receive any economic benefit, directly or indirectly from any third party for advice rendered to EWA clients.

B. Compensation to Non –Advisory Personnel for Client Referrals

EWA may compensate others who are not advisory personnel for client referrals.

Item 15: Custody

EWA does not take custody of client accounts at any time. Custody of client's accounts is held primarily at Scottrade, Inc. Clients will receive account statements from the custodian and should carefully review those statements. EWA urges clients to compare the account statements they receive from the custodian with those they received from EWA.

Item 16: Investment Discretion

For those client accounts where EWA provides ongoing supervision, EWA maintains limited power of authority over client accounts with respect to securities to be bought and sold and amount of securities to be bought and sold. All buying and selling of securities is explained to clients in detail before an advisory relationship has commenced.

Item 17: Voting Client Securities (Proxy Voting)

EWA 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

EWA does not require nor solicit prepayment of more than \$500 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

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

Neither EWA nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

EWA has not been the subject of a bankruptcy petition in the last ten years.

Item 19: Requirements For State Registered Advisers

A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background

EWA currently has only one management person and only one executive officer; Robert Knowlton Ellis. Robert Knowlton Ellis's education and business background can be found on the Supplemental ADV Part 2B form.

B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)

Robert Knowlton Ellis's other business activities can be found on the Supplemental ADV Part 2B form.

C. How Performance Based Fees are Calculated and Degree of Risk to Clients

EWA 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.

D. Material Disciplinary Disclosures for Management Persons of this Firm

No management person at EWA has been involved in an arbitration claim or been found liable in a civil, self-regulatory organization, or administrative proceeding that is material to the client's evaluation of the firm or its management.

E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)

Neither EWA, nor its management persons, has any relationship or arrangement with issuers of securities.