

# **SAM BADGLEY INC.**

## **FIRM BROCHURE**

**JANUARY 12, 2026**

*Sam Badgley Inc.  
438 Van Thomas Dr.  
Raleigh, NC 27615  
Phone: (304) 483-1788  
Website: [www.sambadgley.com](http://www.sambadgley.com)*

This brochure provides information about the qualifications and business practices of Sam Badgley Inc. If you have any questions about the contents of this brochure, please contact us at (304) 483-1788. 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.

Sam Badgley Inc. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Sam Badgley Inc. is available on the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for the Adviser is 152632.

## **2. MATERIAL CHANGES**

The firm has the following material changes to report since the last annual update on January 27, 2025.

- There are no material changes to report at this time.

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#### **4. ADVISORY BUSINESS**

##### **A. OWNERSHIP/ADVISORY HISTORY**

Sam Badgley Inc. (“we” or “the Adviser”) was established as a corporation on November 25, 2009. The Firm became registered as a Registered Investment Adviser in January 2010. The sole shareholder is Samuel E. Badgley. Additional information about Mr. Badgley can be found number Item 19 below and in his ADV Part 2B – Supplemental Brochure.

##### **B. ADVISORY SERVICES OFFERED**

The Adviser offers the selection and monitoring of third-party investment advisers and creates financial plans for clients. Prior to recommending the services of another investment adviser, the Adviser will evaluate each individual client’s investment needs, goals and objectives. After the evaluation, the Adviser will recommend the services of a third-party unaffiliated investment adviser and/or its financial planning services. These services are described below.

##### **i. SELECTION AND MONITORING OF THIRD-PARTY ADVISERS**

After an initial meeting with the client and when deemed appropriate, the Adviser may recommend the services of an independent investment adviser (“Third-Party Adviser”). The recommendation will depend on the client’s circumstances, goals and objectives, strategy desired, account size, risk tolerance, or other factors. The Adviser and client will work together to determine which Third-Party Adviser may be appropriate. Clients are never obligated to use a recommended Third-Party Adviser.

The Adviser shall review Third-Party Advisers prior to making a recommendation to the client. The Adviser shall consider the following factors during its review: fees, reputation, performance, financial strength, management, price, reporting capabilities, client’s financial situation, client’s goals, client’s needs, and client’s investment objectives. After its review, the Adviser shall present the client with one or more recommendations.

If the client wishes to proceed with the recommendation, the Adviser shall enter into a Co-Adviser relationship with the recommended Third-Party Adviser. The Co-Adviser relationship means the Adviser and the Third-Party Adviser shall have separate rolls while serving the client. Under this arrangement, the Third-Party Adviser will be responsible for portfolio management, best execution, portfolio reporting, trading, trade error resolution, and custodian reconciliations. While the Adviser shall maintain its relationship with the client by monitoring the status of the client’s accounts with the Third-Party Adviser, make recommendations about the Third-Party Adviser, meeting the client at least annually and acting as the client’s primary financial adviser. All questions regarding the Third-Party Adviser’s services and performance will be directed to the Adviser. When utilizing the services of a Third-Party Adviser, clients will be given a copy of the Third-Party Adviser’s Form ADV Part 2A. Clients are encouraged to read and understand this disclosure document.

The Adviser will not refer a client to a third-party unaffiliated investment adviser unless it is registered or exempt from registration as an investment adviser in the client’s state of residence. We currently recommend the services of Efficient Advisors – CRD #150144.

ii. FINANCIAL PLANNING SERVICES

The Adviser offers clients financial planning services to evaluate their financial situation, goals and risk tolerance. Through a series of personal interviews and the use of questionnaires the Adviser will collect pertinent data, identify goals, objectives, financial problems, potential solutions, prepare specific recommendations and implement recommendations. As a result of these actions, the Adviser's advice may be provided on financial and cash management, risk management, financial issues relating to divorce or marital issues, estate planning, tax issues, stretch IRA planning, Investment Planning/Asset Allocation, retirement planning, educational funding, goal setting, or other needs as identified by the client and Adviser. The Adviser may offer comprehensive planning services, or the client may desire advice on certain planning components; the Adviser can tailor services as desired by the client. At the conclusion of the Financial Planning Service the Adviser shall present the client with a written financial plan.

C. TAILORED SERVICES

As described above, the Adviser strives to match clients and top Third-Party Advisers according to a client's goals, risk tolerance and objectives. It is up to the Third-Party Adviser as to whether clients can impose restrictions on the types of investment in their accounts. Please see the Third-Party Adviser's ADV Part 2A, Item 4 for details. The Adviser also tailors its Financial Planning Services to the needs of each Client.

D. WRAP PROGRAM

The Adviser does not participate in a wrap program. This section is not applicable.

E. CLIENT ASSETS MANAGED

The Adviser does not manage any client assets. All assets are managed by Third-Party Advisers.

**5. FEES AND COMPENSATION**

A. SELECTION AND MONITORING OF THIRD-PARTY ADVISERS

As stated in Item 4.B.i. (See Above), the Adviser will enter a Co-Adviser relationship with the recommended Third-Party Adviser. In this agreement the Adviser and the Third-Party Adviser will charge separate fees. The Adviser's fee is an annual fee based on a percentage of assets under management with the Third-Party Adviser. The maximum annual fee is .99%. The fee is negotiable based on the size of the account. The client will be asked to authorize the Third-Party Adviser to withdraw the Adviser's fee. The frequency of the fee deduction will be determined by the Third-Party Advisor. The Adviser's fee is separate from the Third-Party Adviser's fee which is disclosed in the Third-Party Adviser's ADV Part 2A that is given to the client upon solicitation.

The Adviser's fee is separate and distinct from any other fees or expenses. These fees and expenses may include the Third-Party Adviser's fee, brokerage commissions, transaction fees, and other related costs and expenses. Additionally, clients may incur certain charges imposed by custodians, brokers, third-party investments and other third-parties such as fees charged by managers and custodians, or deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Mutual funds and exchange traded funds also charge internal management fees, as disclosed in a fund's prospectus, which are separate and distinct from the Adviser's fee.

#### TERMINATION OF RECOMMENDATION AND MONITORING OF THIRD-PARTY ADVISER SERVICES

A client may terminate this service for any reason within the first five (5) business days after signing the contract without any cost or penalty. Thereafter, the contract may be terminated at any time by giving ten (10) days' written notice to the Adviser at Sam Badgley Inc. 438 Van Thomas Dr, Raleigh, NC 27615. Upon written notice of termination, fees will be prorated based upon the number of days that services were rendered during the termination quarter. Any unearned fees will be returned to the client. For example, if 90 days are in a quarter and services were rendered for 30 days in the quarter, the client will be refunded 67% of that quarter's fee. ( $30/90 = .33 * 100 = 33\%$  paid to Adviser for services with remainder/unearned fees paid to the client.  $100\% - 33\% = 66\%$ )

#### B. FINANCIAL PLANNING SERVICES

Financial plans are provided at an hourly rate not to exceed \$250.00 per hour. Fees for planning services are agreed upon in advance in writing, but due upon presentation of the financial plan. The fee varies depending upon the complexity of the financial situation, the estimate of hours involved, including preparation and research, areas to be specified and estimated in the written agreement for services. This fee may be negotiable at the firm's discretion. For prepaid fees in excess of \$500.00, services will be completed within six months of the date the fees are received.

#### Termination of Financial Planning Services

A client may cancel the financial planning service agreement for any reason during the first five (5) business days from the date of signing the agreement and will receive a refund of 100% of all fees paid. To cancel the agreement, a client must notify the adviser and return any materials received to date. Thereafter, the contract may be terminated at any time by giving seven (7) days' written notice to the Firm at Sam Badgley Inc. 438 Van Thomas Dr, Raleigh, NC 27615.

#### RETIREMENT ROLLOVER CONFLICTS OF INTEREST

When we recommend you rollover a retirement account for a third-party adviser to manage, this creates a financial incentive because they charge a fee for their services. Both us and the third party adviser attempt to mitigate the conflict of interest by acting in your best interest and applying an impartial conduct standard to all rollovers. Please note that you are not under any obligation to roll over a retirement account to an account managed by us or our selected third party adviser.

#### **6. PERFORMANCE-BASED FEES AND SIDE BY SIDE MANAGEMENT**

The Adviser 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). The Adviser does not perform side by side management.

## 7. TYPES OF CLIENTS

The Adviser's services are offered to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations and corporations or other businesses. The Adviser does not require a minimum account or place any other restrictions on opening an account.

## 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

### A. METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

When the Adviser creates a financial plan for a client, it uses an individualized asset allocation method. When deciding on the asset allocation for a client, the Adviser takes into account the client's risk tolerance, goals, investment objectives and other data gathered during the client meetings. Asset Allocation is an investment strategy that aims to balance risk and reward by apportioning a portfolio's assets according to an individual's goals, risk tolerance and investment horizon among various asset classes. The asset classes typically include equities, fixed income, and cash and equivalents. Each class has various levels of risk and return, so each will behave differently over time.

With respect to the Adviser's Selection and Monitoring of Third-Party Advisers (described above), the Adviser follows the academic Modern Portfolio Theory of passive investments and efficient markets. It only recommends Third-Party Advisers that follow this theory. Modern Portfolio Theory proposes that investing in a predetermined asset mix derived from the efficient frontier (dictated to achieve a specific client objective within a certain risk tolerance) and rebalancing with discipline, the portfolio is diversified across the various asset classes to mitigate unnecessary risk. This also provides for a portfolio that can operate without reliance on market timing and security selection; however, as with all equity investments positive returns are not guaranteed. In conjunction to investing in a diversified portfolio, each portfolio is constructed to meet specific parameters set forth in the individual client's investment policy statement and/or other documents. These parameters can include - but are not limited to - tax efficiency, concentrated stock positions and management history. Once again, the risk associated with a diversified portfolio is that each class has various levels of risk and return, so each will behave differently over time and despite being diversified there is no guarantee that an account will grow.

### B. INVESTMENT RISKS

All investments bear different types and degrees of risk and **investing in securities involves the risk of loss that clients should be prepared to bear.** While the Adviser recommends third-party investment advisers who have investment strategies that are designed to provide appropriate investment diversification, some investments have significantly greater risks than others. Obtaining higher rates of return on investments entails accepting higher levels of risk. Recommended investment strategies seek to balance risks and rewards to achieve investment objectives. Clients need to ask questions about risks they do not understand. The Adviser would be pleased to discuss them.

The Adviser strives to render its best judgment on behalf of its clients. Still, the Adviser cannot assure or guarantee clients that investments will be profitable or assure that no losses will occur in

an investment portfolio. Past performance is an important consideration with respect to any investment or investment adviser but is not a reliable predictor of future performance. The Adviser continuously strives to provide outstanding long-term investment performance, but many economic and market variables beyond our control can affect the performance of an investment portfolio.

An investment could lose money over short or even long periods. A client should expect his/her account value and returns to fluctuate within a wide range, like the fluctuations of the overall stock and bond markets.

## **9. DISCIPLINARY INFORMATION**

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the Firm or the integrity of its management. The Adviser has no information applicable to this Item because it has not been the subject of any administrative, arbitration, civil, criminal, or self-regulatory proceedings.

## **10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **A. BROKER-DEALER AFFILIATIONS**

The Adviser is not affiliated with a broker-dealer.

### **B. FUTURES/COMMODITIES FIRM AFFILIATION**

The Adviser is not affiliated with a futures or commodities broker.

### **C. OTHER INDUSTRY AFFILIATIONS**

Samuel E. Badgley is the Vice President of a tax preparation and accounting firm, Badgley & Christ, AC. Mr. Badgley may recommend his tax preparation or accounting services to the Advisor's clients for a separate fee. This causes a conflict of interest because he receives a fee for this service that is separate from the fees outlined above. Mr. Badgley attempts to mitigate the conflict of interest to the best of his ability by placing the client's interests ahead of his own, through his fiduciary duty and by following the Advisor's Code of Ethics. Clients are never obligated to use recommended services through Mr. Badgley.

Samuel E. Badgley is dually registered as an investment adviser representative of Efficient Advisors, an SEC registered investment adviser. Advisory services are provided through Efficient Advisors with the fees paid to Sam Badgley Inc.; therefore, no conflicts of interest are associated with this activity as Mr. Badgley does not receive a separate fee other than what is stated in Item 5 above.

### **D. SELECTION AND MONITORING OF THIRD-PARTY INVESTMENT ADVISERS**

The Adviser offers the Selection and Monitoring of Third-Party Investment Advisers as a service. This service and its fees are explained in Item 4.b. – Adviser Services above.

## **11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **A. DESCRIPTION**

The Adviser's Code of Ethics establishes ideals for ethical conduct based upon fundamental principles of openness, integrity, honesty, and trust. The Adviser will provide a copy of our Code of Ethics to any client or prospective client upon request.

The Adviser's Code of Ethics covers all supervised persons, and it describes its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at the Firm must acknowledge the terms of the Code of Ethics annually, or as amended.

### **B. MATERIAL INTEREST IN SECURITIES**

The Adviser, its owner and investment adviser representatives do not have a material financial interest in any securities.

### **C. INVESTING IN OR RECOMMENDING THE SAME SECURITIES**

On occasion, Sam Badgley may, from time to time, buy or sell for his own accounts securities that are the same as, similar to, or the opposite of, those that he recommends to his clients for purchase or sale. Differences can arise due to variations in personal goals, investment horizons, risk tolerance, and the timing of purchases and sales. Additionally, Mr. Badgley will attempt to mitigate the conflict of interest to the best of his ability through the enactment of the Adviser's code of ethics and his fiduciary responsibilities. In all situations the Adviser acts as a fiduciary. The Adviser's associates are aware of their fiduciary duty to their clients and the prohibitions against the use of any insider information. Records of all associates' proprietary trading activities will be kept by the Adviser, available to regulators to review on the premises.

## **12. BROKERAGE PRACTICES**

### **A. RECOMMENDATION CRITERIA**

The Adviser does not recommend any particular broker-dealer or custodian. It relies on the selected Third-Party Adviser's recommended broker-dealer or custodian. In all cases the Third-Party Adviser is responsible for trading practices including best execution and negotiating ticket charges or commissions. The Adviser does not receive any compensation (soft dollar or research) from the Third-Party Adviser or its selected custodian.

### **B. TRADE AGGREGATION**

The Adviser does not trade client accounts. This section is not applicable.

### **13. REVIEW OF ACCOUNTS**

#### **A. PERIODIC REVIEWS**

Mr. Badgley reviews the client statements from the client's custodian on a quarterly basis. For accounts with less than \$200,000 in assets, Mr. Badgley will meet with the client upon request. For all other accounts he attempts to meet with each client annually, either in person or by telephone.

#### **B. OTHER REVIEWS**

Additional reviews are conducted periodically depending on market conditions, economic or political events, or on changes in a client's financial situation (such as retirement, termination of employment, physical move or inheritance).

#### **C. REPORTS**

The Adviser prepares reports for clients who choose hourly financial planning. Otherwise, the Adviser does not prepare regular client reports. Clients receive quarterly statements from the third-party money managers. The Adviser urges clients to carefully review such statements.

### **14. CLIENT REFERRALS AND OTHER COMPENSATION**

#### **A. OTHER COMPENSATION**

The Adviser does not receive extra compensation or any other economic benefit for providing investment advice or other advisory services to clients.

#### **B. CLIENT REFERRALS**

The Adviser does not pay for client referrals or use solicitors.

### **15. CUSTODY**

All Client funds, securities and accounts are held by third-party custodians. The Adviser does not take possession of a client's securities.

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. The Adviser urges you to carefully review such statements.

### **16. INVESTMENT DISCRETION**

The Adviser's services are non-discretionary. A non-discretionary investment account means the client retains full discretion to supervise, manage, and direct the assets of the account.

### **17. VOTING CLIENT SECURITIES**

The Adviser will **not** be responsible for responding to proxies that are solicited with respect to annual or special meetings of shareholders of securities held in clients' accounts. However, Third-Party Adviser's may vote proxy solicitation for securities held in client account. Please see the Third-Party Adviser's ADV Part 2A for details. Any proxy solicitation materials sent to the

Adviser will be forwarded to clients for response and voting. In the event a client has a question about a proxy solicitation, the client should contact his/her investment adviser representative.

## 18. FINANCIAL INFORMATION

### A. BALANCE SHEET

The Adviser does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance.

### B. FINANCIAL CONDITION

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about the Adviser's financial condition when it is impaired. The Adviser has no financial commitment that impairs its ability to service its clients.

### C. BANKRUPTCY

The Adviser has not been the subject of any bankruptcy proceedings.

## 19. REQUIREMENTS FOR STATE-REGISTERED ADVISERS

### A. EXECUTIVE OFFICERS AND MANAGEMENT

#### Sam Badgley – President

**Education:** *Marrietta College* – Bachelor of Science in Accounting – 1983

#### **Business Background:**

*Sam Badgley Inc.* – January 2010 to Present  
– President & Investment Adviser Representative

*Badgley & Christ, AC* –  
– Vice President – June 2024 to Present  
– Owner – January 1990 to June 2024

*Efficient Advisors*  
– Investment Adviser Representative – January 2025 to Present

### B. OTHER BUSINESS ACTIVITY

Mr. Badgley is the Vice President of Badgley & Christ, AC an accounting firm. He spends approximately 10% of his time on this activity. Additionally, Mr. Badgley is dually registered as an investment adviser representative of Efficient Advisors, an SEC registered investment adviser. He spends approximately 30% of his time on this activity. Advisory services are provided through Efficient Advisors with the fees paid to Sam Badgley Inc.; therefore, no conflicts of interest are associated with this activity as Mr. Badgley does not receive a separate fee other than what is stated in Item 5 above.

### C. PERFORMANCE BASED COMPENSATION

Mr. Badgley does not receive performance-based fees or any other compensation or incentives.

**D. DISCIPLINARY HISTORY**

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. Mr. Badgley has no information applicable to this Item.

**E. ADDITIONAL RELATIONSHIPS WITH ISSUERS OF SECURITIES**

Registered investment advisers are required to disclose all material facts regarding any relationship with an issuer of securities. Neither the Firm nor Mr. Badgley have a relationship with an issuer of securities. Therefore, no information is applicable to this Item.

## **PRIVACY NOTICE**

**Sam Badgley Inc.**

**Rev. 2025**

Sam Badgley Inc. collects non-public personal information necessary to provide advisory services. We do not share such information for marketing purposes.

We maintain physical, electronic, and procedural safeguards designed to protect client information.

This Privacy Notice is provided at the inception of the advisory relationship and annually thereafter.

Questions may be directed to **(304) 483-1788**.