

Part 2A of Form ADV: *Firm Brochure*

Blue Water Capital Management, LLC

5755 Oberlin Drive
Suite 301
San Diego, CA 92121

Telephone: 877-271-0234
Email: info@sandiegofeeonly.com
Web Address: www.sandiegofeeonly.com

03/29/2012

This brochure provides information about the qualifications and business practices of Blue Water Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at 877-271-0234 or info@sandiegofeeonly.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 Blue Water Capital Management, LLC also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 127193.

Item 2 Material Changes

This Firm Brochure, dated 03/29/2012, provides you with a summary of Blue Water Capital Management, LLC's advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This Item is used to provide our clients with a summary of new and/or updated information; we will inform of the revision(s) based on the nature of the information as follows.

1. Annual Update: We are required to update certain information at least annually, within 90 days of our firm's fiscal year end (FYE) of December 31. We will provide you with either a summary of the revised information with an offer to deliver the full revised Brochure within 120 days of our FYE or we will provide you with our revised Brochure that will include a summary of those changes in this Item.
2. Material Changes: Should a material change in our operations occur, depending on its nature we will promptly communicate this change to clients (and it will be summarized in this Item). "Material changes" requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings; significant changes to our advisory services or advisory affiliates – any information that is critical to a client's full understanding of who we are, how to find us, and how we do business.

The following summarizes new or revised disclosures based on information previously provided in our Firm Brochure dated 03/08/2011:

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Item 4 Advisory Business

Blue Water Capital Management, LLC is a state-registered investment adviser with its principal place of business located in CA. Blue Water Capital Management, LLC began conducting business in 2003.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Terrance Anthony Green, Managing Director

Blue Water Capital Management, LLC offers the following advisory services to our clients:

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal asset allocation and create and manage a portfolio based on that allocation. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Once the client's portfolio has been established, we review the portfolio at least quarterly, and if necessary, rebalance the portfolio, based on the client's individual needs.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper

- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities
- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

INDIVIDUAL PORTFOLIO MANAGEMENT

Our firm provides non-continuous asset management of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on the client's particular circumstances are established, we develop the client's personal asset allocation. We create and manage a portfolio based on that allocation. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we may also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Once the client's portfolio has been established, we review the portfolio at least quarterly, and if necessary, rebalance the portfolio, based on the client's individual needs.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities

- Securities traded over-the-counter
- Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities
- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

PENSION CONSULTING SERVICES

We also provide several advisory services separately or in combination. While the primary clients for these services will be pension, profit sharing and 401(k) plans, we offer these services, where appropriate, to individuals and trusts, estates and charitable organizations. Pension Consulting Services are comprised of four distinct services. Clients may choose to use any or all of these services.

Investment Policy Statement Preparation (hereinafter referred to as "IPS"):

We will meet with the client (in person or over the telephone) to determine an appropriate investment strategy that reflects the plan sponsor's stated investment objectives for management of the overall plan. Our firm then prepares a written IPS detailing those needs and goals, including an encompassing policy under which these goals are to be achieved. The IPS also lists the criteria for selection of investment vehicles as well as the procedures and timing interval for monitoring of investment performance.

Selection of Investment Vehicles:

We assist plan sponsors in constructing appropriate asset allocation models. We will then review various mutual funds (both index and managed) to determine which investments are appropriate to implement the client's IPS. The number of investments to be recommended will be determined by the client, based on the IPS.

Monitoring of Investment Performance:

We monitor client investments continually, based on the procedures and timing intervals delineated in the Investment Policy Statement. Although our firm is not involved in any way in the purchase or sale of these investments, we supervise the client's portfolio and will make recommendations to the client as market factors and the client's needs dictate.

Employee Communications:

For pension, profit sharing and 401(k) plan clients with individual plan participants exercising control over assets in their own account ("self-directed plans"), we may also provide quarterly educational support and investment workshops designed for the plan participants when the plan sponsor engages our firm to provide these services. The nature of the topics to be covered will be determined by us and the client under the guidelines established in ERISA Section 404(c). The educational support and investment workshops will NOT provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

FINANCIAL PLANNING

We provide financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- **CASH & DEBT MANAGEMENT:** We review net worth, cash flow, budgeting, emergency savings, and perform a debt analysis.
- **RETIREMENT & FINANCIAL GOALS PLANNING:** We help the client define their goals, analyze various strategies of achieving them, and develop an appropriate plan of action to help the client achieve his or her retirement and other financial goals.
- **RISK MANAGEMENT:** We review existing policies to ensure proper coverage for life, disability, long-term care, liability, home and automobile.
- **INVESTMENT PLANNING:** We review the client's goals and situation and develop an

appropriate asset allocation, determine suitable asset location, and analyze and recommend appropriate investments for the client's portfolio.

- **TAX PLANNING:** We review client's current and projected future tax liabilities and analyze strategies to reduce them. We do not prepare tax returns.
- **ESTATE PLANNING:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, and titling and beneficiary reviews. We do not create and write the estate planning documents.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities
- Interests in partnerships investing in real estate

- Interests in partnerships investing in oil and gas interests

Typically the financial plan is presented to the client within three months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

CONSULTING SERVICES

Clients can also receive investment advice on a more focused basis. This may include advice on only an isolated area(s) of concern such as estate planning, retirement planning, or any other specific topic. We also provide specific consultation and administrative services regarding investment and financial concerns of the client.

Consulting recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

AMOUNT OF MANAGED ASSETS

As of 3/29/2012, we were actively managing \$28,000,000 of clients' assets on a discretionary basis plus \$7,000,000 of clients' assets on a non-discretionary basis.

Item 5 Fees and Compensation

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT FEES

The annual fee for Investment Supervisory Services shall be either based upon a percentage (%) of the market value of the Custodial and Non-Custodial Assets under management, or a flat fee. This annual fee shall be prorated and paid quarterly, generally in arrears. Except flat fees, fees are tiered and based upon the market value of the Custodial and Non-Custodial Assets on the last business day of the previous quarter. No increase in the annual fee shall be effective without prior written notification to the CLIENT.

Asset-Based Fee: Charged as a percentage of assets under management, according to the following schedule:

Custodial Accounts		Non-Custodial Accounts
Account Size	Annual Fee	Annual Fee
First \$500,000	0.85%	Half of the custodial annual fee (based upon the highest account size tier achieved)
Next \$500,000	0.75%	
Next \$1,000,000	0.60%	
Next \$2,000,000	0.40%	

Next \$4,000,000	0.30%
Next \$7,000,000	0.20%

Flat Fee: Based on the market value of the Custodial and Non-Custodial Assets under management. Fees have an annual inflation adjustment of 4.0% (rounded to the nearest dollar) on January 1st each year. Flat quarterly fees are available upon request

Fees will be debited from the account in accordance with the client authorization in the Client Services Agreement.

A minimum quarterly fee of **\$250.00** is required for this service. This minimum may be negotiable under certain circumstances. Blue Water Capital Management, LLC may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Limited Negotiability of Advisory Fees: Although Blue Water Capital Management, LLC has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

PORTFOLIO MANAGEMENT SERVICES FEES

The annual fee for Investment Supervisory Services shall be either based upon a percentage (%) of the market value of the Custodial and Non-Custodial Assets under management, or a flat fee. This annual fee shall be prorated and paid quarterly, generally in arrears. Except flat fees, fees are tiered and based upon the market value of the Custodial and Non-Custodial Assets on the last business day of the previous quarter. No increase in the annual fee shall be effective without prior written notification to the CLIENT.

Asset-Based Fee: Charged as a percentage of assets under management, according to the following schedule:

Custodial Accounts		Non-Custodial Accounts
Account Size	Annual Fee	Annual Fee
First \$500,000	0.85%	Half of the custodial annual fee (based upon the highest account size tier achieved)
Next \$500,000	0.75%	
Next \$1,000,000	0.60%	
Next \$2,000,000	0.40%	
Next \$4,000,000	0.30%	
Next \$7,000,000	0.20%	

Flat Fee: Based on the market value of the Custodial and Non-Custodial Assets under management. Fees have an annual inflation adjustment of 4.0% (rounded to the nearest dollar) on January 1st each year. Flat quarterly fees are available upon request

Fees will be debited from the account in accordance with the client authorization in the Client Services Agreement.

A minimum quarterly fee of **\$250.00** is required for this service. This minimum may be negotiable under certain circumstances. Blue Water Capital Management, LLC may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Limited Negotiability of Advisory Fees: Although Blue Water Capital Management, LLC has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

PENSION CONSULTING FEES

Our fees for Pension Consulting Services are based on a percentage of assets under advisement, according to the following schedule:

The annual fee for Pension Consulting Services shall be either based upon a percentage (%) of the market value of the Assets under management, or a flat fee. This annual fee shall be prorated and paid quarterly, generally in arrears. Except flat fees, fees are tiered and based upon the market value of the Assets on the last business day of the previous quarter. No increase in the annual fee shall be effective without prior written notification to the SPONSOR. The fee schedule for the Assets is as follows:

Asset-Based Fee: Charged as a percentage of assets under management, according to the following schedule:

Account Size	Annual Fee
First \$1,000,000	0.60%
Next \$1,000,000	0.50%
Next \$2,000,000	0.30%
Next \$2,000,000	0.20%
Over \$6,000,000	Negotiable

Flat Fee: Based on the market value of the Assets under management. Fees have an annual inflation adjustment of 4.0% (rounded to the nearest dollar) on January 1st each year. Flat quarterly fees are available upon request

Fees will be debited from the account in accordance with the SPONSOR authorization in the Consulting Agreement.

Limited Negotiability of Advisory Fees: Although Blue Water Capital Management, LLC has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. SPONSOR facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

FINANCIAL PLANNING FEES

Blue Water Capital Management, LLC's Financial Planning fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Our Financial Planning fees are calculated and charged on a fixed fee basis, typically ranging from **\$595** to **\$2,275**, depending on the specific arrangement reached with the client. The following are the estimated fees for each service:

Net Worth	Comprehensive Financial Review	Retirement Planning and Strategies	Express Check-Up
Up to \$2,000,000	\$1,575	\$975	\$595
\$2,000,000 - \$6,000,000	\$2,275	\$1,475	N/A
Over \$6,000,000	Negotiable (case by case)	Negotiable (case by case)	N/A

Fees for other Financial Planning projects fees are calculated and charged on an hourly basis at **\$180** per hour. Although the length of time it will take to complete a Financial Plan project will depend on each client's personal situation, we will provide an estimate for the total hours at the start of the advisory relationship.

We may request a retainer upon completion of our initial fact-finding session with the client; however, advance payment will never exceed \$500 for work that will not be completed within six months. The balance is due upon completion of the plan.

Financial Planning Fee Offset: Blue Water Capital Management, LLC reserves the

discretion to reduce or waive the hourly fee and/or the minimum fixed fee if a financial planning client chooses to engage us for our Portfolio Management Services.

Limited Negotiability of Advisory Fees: Although Blue Water Capital Management, LLC has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the Financial Planning fee. These include the complexity of the client, the specific services requested, and the estimated time to complete the requested services. The specific Financial Planning fee is identified in the contract between the adviser and each client.

Discounts, not generally available to our Financial Planning clients, may be offered to family members and friends of associated persons of our firm.

CONSULTING SERVICES FEES

Blue Water Capital Management, LLC's Consulting Services fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Fees for Consulting Services are calculated and charged on an hourly basis at **\$180** per hour. Although the length of time it will take to complete a Consulting Service will depend on each client's personal situation, we will provide an estimate for the total hours at the start of the advisory relationship.

We may request a retainer upon completion of our initial fact-finding session with the client; however, advance payment will never exceed \$500 for work that will not be completed within six months. The balance is due upon completion of the plan.

Limited Negotiability of Advisory Fees: Although Blue Water Capital Management, LLC has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the Consulting Services fee. These include the complexity of the client, the specific services requested, and the estimated time to complete the requested services. The specific Consulting Services fee is identified in the contract between the adviser and each client.

Discounts, not generally available to our Consulting Services clients, may be offered to family members and friends of associated persons of our firm.

GENERAL INFORMATION

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. As disclosed above, advisory fees are paid in arrears. Upon termination of any account, we will pro-rate the earned, yet unpaid fees for the quarter. Fees will be debited from the account in accordance with the client authorization in the Client Services Agreement. The pro-rated fee will be based on the market value of the Assets on the day of termination and the number of days into the

billing period at termination.

Mutual Fund Fees: All fees paid to Blue Water Capital Management, LLC for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers.

Grandfathering of Minimum Account Requirements: Pre-existing advisory clients are subject to Blue Water Capital Management, LLC's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

ERISA Accounts: Blue Water Capital Management, LLC is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$500 more than six months in advance of services rendered.

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

Blue Water Capital Management, LLC does not charge performance-based fees.

Item 7 Types of Clients

Blue Water Capital Management, LLC provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)

- High net worth individuals
- Pension and profit sharing plans(other than plan participants)
- Charitable organizations
- Corporations or other businesses not listed above

As previously disclosed in Item 5, our firm has established certain initial minimum fee requirements, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service.

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

METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Asset Allocation. Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Mutual Fund and/or ETF Analysis. We may look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also may look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also may monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the

fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

INVESTMENT STRATEGIES

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases. We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases. When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We use this strategy for short-term needs (short-term CD's and bonds) and/or rebalancing the accounts. A volatile market may create a need to rebalance the accounts before the securities have been held for a year or longer.

Margin transactions. We will purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings.

Option writing. We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period of time. We do not typically buy call options.
- A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put option in order to "hedge" or guard against a possible decline in

the price of a large stock holding.

Risk of Loss. Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

Our firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Blue Water Capital Management, LLC and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Blue Water Capital Management, LLC's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to info@sandiegofeeonly.com, or by calling us at 877-271-0234.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

Item 12 Brokerage Practices

Blue Water Capital Management, LLC requires that clients provide us with written authority to determine the broker-dealer to use and the commission costs that will be charged to our clients for these transactions.

Clients must include any limitations on this discretionary authority in this written authority statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

As a matter of policy and practice, Blue Water Capital Management, LLC does not generally block client trades and, therefore, we implement client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisers who block client trades.

Blue Water Capital Management, LLC participates in the institutional customer program offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers services to independent investment advisers which include custody of securities, trade execution, clearance and settlement of transactions. Blue Water Capital Management, LLC receives some benefits from TD Ameritrade through our participation in the program.

Blue Water Capital Management, LLC participates in TD Ameritrade's Institutional customer program and we may require clients to maintain accounts with TD Ameritrade for custody and brokerage services. There is no direct link between our firm's participation in the program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors.

These benefits include the following products and services (provided without cost or at a

discount): duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving adviser participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain Institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Blue Water Capital Management, LLC by third party vendors. TD Ameritrade may also pay for business consulting and professional services received by Blue Water Capital Management, LLC's related persons and may also pay or reimburse expenses (including travel, lodging, meals and entertainment expenses) for Blue Water Capital Management, LLC's personnel to attend conferences or meetings relating to the program or to TD Ameritrade's adviser custody and brokerage services generally.

Some of the products and services made available by TD Ameritrade through the program may benefit Blue Water Capital Management, LLC but may not benefit our client accounts. These products or services may assist us in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by Blue Water Capital Management, LLC or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. Clients should be aware, however, that the receipt of economic benefits by Blue Water Capital Management, LLC or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

Blue Water Capital Management, LLC's receipt of these services does not diminish our duty to act in the best interests of our clients, including seeking best execution of trades for client accounts.

Item 13 Review of Accounts

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT

REVIEWS: While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. In addition, advisors are available during normal business hours to discuss changes to clients' objectives, needs, or financial situation.

These accounts are reviewed by: Terrance Green, Managing Director; Hal Schweiger,

Financial Advisor; Joan O'Connell, Financial Advisor

REPORTS: In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we provide at least semi-annual reports summarizing account performance. Communication between our advisors and clients regarding client accounts takes many forms, including, but not limited to, telephone conferences, emails, documents posted to a secure client web portal, and update meetings.

PORTFOLIO MANAGEMENT SERVICES

REVIEWS: While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by: Terrance Green, Managing Director; Hal Schweiger, Financial Advisor; Joan O'Connell, Financial Advisor

REPORTS: Clients only receive the monthly statements and confirmations of transactions that Portfolio Management Services clients receive from their broker-dealer. Blue Water Capital Management, LLC does not provide any additional reports.

PENSION CONSULTING SERVICES

REVIEWS: Blue Water Capital Management, LLC will review the client's Investment Policy Statement (IPS) whenever the client advises us of a change in circumstances regarding the needs of the plan. Blue Water Capital Management, LLC will also review the investment options of the plan according to the agreed upon time intervals established in the IPS. Such reviews will generally occur annually.

These accounts are reviewed by: Hal Schweiger, Financial Advisor

REPORTS: These client accounts will receive reports as contracted for at the inception of the advisory relationship.

FINANCIAL PLANNING SERVICES

REVIEWS: While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

REPORTS: Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

CONSULTING SERVICES

REVIEWS: While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Consulting

Services clients unless otherwise contracted for. Such reviews will be conducted by the client's account representative.

REPORTS: Consulting Services clients will not typically receive reports due to the nature of the service.

Item 14 Client Referrals and Other Compensation

It is Blue Water Capital Management, LLC's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is Blue Water Capital Management, LLC's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Item 15 Custody

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the statements that clients receive directly from their custodians, we may also send account reports directly to our clients on a periodic basis. We urge our clients to carefully compare the information provided on these reports to ensure that all account transactions, holdings and values are correct and current.

Our firm does not have actual or constructive custody of client accounts.

Item 16 Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign an Investment Advisory Agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

Item 17 Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We do not offer any consulting assistance regarding proxy issues to clients.

Item 18 Financial Information

Under no circumstances do we require or solicit payment of fees in excess of \$500 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm that maintains discretionary authority, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. Blue Water Capital Management, LLC has no such financial circumstances to report.

Blue Water Capital Management, LLC has not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19 Requirements for State-Registered Advisers

The following individuals are the principal executive officers and management persons of Blue Water Capital Management, LLC:

Terrance A. Green

Information regarding the formal education and business background for this individual is provided in their respective Brochure Supplements.

We are required to disclose all material facts regarding certain legal or disciplinary events pertaining to arbitration awards or other civil, regulatory or administrative proceedings in which our firm or management personnel were found liable or against whom an award was

granted.

Our firm and our management personnel have no reportable disciplinary events to disclose.

As previously disclosed in "Other Financial Industry Activities and Affiliations" (Item 10), neither Blue Water Capital Management, LLC nor our management personnel have a relationship or arrangement with any issuer of securities.

Part 2B of Form ADV: *Brochure Supplement*

Terrance Anthony Green
Joan Marie O'Connell
Hal Richard Schweiger

Blue Water Capital Management, LLC

San Diego, San Diego CA

03/29/2012

This brochure supplement provides information about the individual(s) listed above that supplements the Blue Water Capital Management, LLC brochure. You should have received a copy of that brochure. Please contact Terry Green if you did not receive Blue Water Capital Management, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about the individual(s) listed above is available on the SEC's website at www.adviserinfo.sec.gov

Item 2 Educational, Background and Business Experience

Full Legal Name: Terrance Anthony Green **Born:** 1973

Education

- San Diego State University; MsBA, Entrepreneurship; 2009
- Ohio University; BBA, Finance; 1995

Business Experience

- Blue Water Capital Management, LLC; Managing Director; from 08/03 to Present
- Capital Financial Advisors, LLC; Financial Advisor; from 10/03 to 03/06
- QA3 Financial Corporation; Registered Rep; from 08/01 to 09/03
- Financial Designs, Ltd.; Financial Advisor; from 04/00 to 01/03
- McDonald Investments; Registered Rep; from 04/97 to 03/00

Designations

Terrance Anthony Green has earned the following designation(s) and is in good standing with the granting authority:

- Certified Financial Planner (CFP); Certified Financial Planner Board of Standards Inc.; 2002

CFP® certificants must pass the comprehensive CFP® Certification Examination, pass CFP Board's *Fitness Standards for Candidates and Registrants*, agree to abide by CFP Board's *Code of Ethics and Professional Responsibility* which puts clients' interests first and comply with the *Financial Planning Practice Standards* which spell out what clients should be able to reasonably expect from the financial planning engagement.

Item 3 Disciplinary Information

Terrance Anthony Green has no reportable disciplinary history.

Item 4 Other Business Activities

A. Investment-Related Activities

1. Terrance Anthony Green is not engaged in any other investment-related activities.

2. Terrance Anthony Green does not receive commissions, bonuses or

other compensation on the sale of securities or other investment products.

B. Non Investment-Related Activities

Terrance Anthony Green is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his or her time.

Item 5 Additional Compensation

Terrance Anthony Green does not receive any economic benefit from a non-advisory client for the provision of advisory services.

Item 6 Supervision

Supervisor: Terrance A Green

Title: Managing Director

Phone Number: 858-552-1488

The supervisor performs periodic oversight reviews as part of the supervisory practices of the firm.

Item 7 Requirements for State-Registered Advisers

A. Additional Disciplinary History

Terrance Anthony Green has no additional reportable disciplinary history.

B. Bankruptcy History

Terrance Anthony Green has not been the subject of a bankruptcy petition.

Item 2 Educational, Background and Business Experience

Full Legal Name: Joan Marie O'Connell **Born:** 1962

Education

- San Diego State University; MsBA, Entrepreneurship; 2010
- Indiana Univeristy - Bloomington; BS, Finance; 1984

Business Experience

- Blue Water Capital Management, LLC; Financial Advisor; from 01/09 to Present
- Self-Employed; Technical Publications Consultant; from 12/06 to Present
- Goodrich Aerostructures; Senior Technical Writer; from 12/04 to 12/06
- Inasoft; Technical Publications Coordinator; from 12/02 to 09/04
- ACSC; Sales Consultant; from 06/02 to 11/02
- Joan O'Connell Communications; Owner; from 05/98 to 06/02

Designations

Joan Marie O'Connell has earned the following designation(s) and is in good standing with the granting authority:

- Certified Financial Planner (CFP); Certified Financial Planner Board of Standards Inc.; 2011

CFP® certificants must pass the comprehensive CFP® Certification Examination, pass CFP Board's *Fitness Standards for Candidates and Registrants*, agree to abide by CFP Board's *Code of Ethics and Professional Responsibility* which puts clients' interests first and comply with the *Financial Planning Practice Standards* which spell out what clients should be able to reasonably expect from the financial planning engagement.

Item 3 Disciplinary Information

Joan Marie O'Connell has no reportable disciplinary history.

Item 4 Other Business Activities

A. Investment-Related Activities

1. Joan Marie O'Connell is not engaged in any other investment-related

activities.

2. Joan Marie O'Connell does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

B. Non Investment-Related Activities

Joan Marie O'Connell provides technical communications and project management services for software development and technology firms. In this capacity, she works with end users to develop system requirements, documents requirements to development personnel, develops user materials and trains users on the system. Her consulting business operates on a contractual basis with flexible time requirements, allowing her to work in her financial planning practice while also consulting.

Item 5 Additional Compensation

Joan Marie O'Connell does not receive any economic benefit from a non-advisory client for the provision of advisory services.

Item 6 Supervision

Supervisor: Terrance A Green

Title: Managing Director

Phone Number: 858-552-1488

The supervisor performs periodic oversight reviews as part of the supervisory practices of the firm.

Item 7 Requirements for State-Registered Advisers

A. Additional Disciplinary History

Joan Marie O'Connell has no additional reportable disciplinary history.

B. Bankruptcy History

Joan Marie O'Connell has not been the subject of a bankruptcy petition.

Item 2 Educational, Background and Business Experience

Full Legal Name: Hal Richard Schweiger **Born:** 1954

Education

- University of Wisconsin - Milwaukee; MA, Economics; 1978
- University of Wisconsin - Milwaukee; BBA, Finance; 1977

Business Experience

- Blue Water Capital Management, LLC; Financial Advisor; from 07/08 to Present
- Capital Financial Advisors, LLC; Financial Advisor; from 10/03 to 07/08
- Capital Asset Advisors; Owner; from 07/03 to Present
- QA3 Financial Corporation; Registered Rep; from 08/02 to 08/03
- AT&T; Manager; from 1979 to 1998

Designations

Hal Richard Schweiger has earned the following designation(s) and is in good standing with the granting authority:

- Certified Financial Planner (CFP); Certified Financial Planner Board of Standards, Inc.; 2000

CFP® certificants must pass the comprehensive CFP® Certification Examination, pass CFP Board's *Fitness Standards for Candidates and Registrants*, agree to abide by CFP Board's *Code of Ethics and Professional Responsibility* which puts clients' interests first and comply with the *Financial Planning Practice Standards* which spell out what clients should be able to reasonably expect from the financial planning engagement.

Item 3 Disciplinary Information

Hal Richard Schweiger has no reportable disciplinary history.

Item 4 Other Business Activities

A. Investment-Related Activities

1. Hal Richard Schweiger is not engaged in any other investment-related activities.
2. Hal Richard Schweiger does not receive commissions, bonuses or

other compensation on the sale of securities or other investment products.

B. Non Investment-Related Activities

Hal Richard Schweiger is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his or her time.

Item 5 Additional Compensation

Hal Richard Schweiger does not receive any economic benefit from a non-advisory client for the provision of advisory services.

Item 6 Supervision

Supervisor: Terrance A Green

Title: Managing Director

Phone Number: 858-552-1488

The supervisor performs periodic oversight reviews as part of the supervisory practices of the firm.

Item 7 Requirements for State-Registered Advisers

A. Additional Disciplinary History

Hal Richard Schweiger has no additional reportable disciplinary history.

B. Bankruptcy History

Hal Richard Schweiger has not been the subject of a bankruptcy petition.