Part 2 of Form ADV: Firm Brochure

Firm Brochure

Equity Logic, LLC

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12.7.22

This brochure provides information about the qualifications and business practices of Equity Logic. If you have any questions about the contents of this brochure, please contact us at 415.999.9033 and/or email tomkee@equitylogic.net. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, the Ontario Securities Commission, or by any state securities authority.

Additional information about Equity Logic also is available on the SEC's website at www.adviserinfo.sec.gov.

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

Material Changes:

- Equity Logic is a virtual company.
- Bond investments are now permitted.
- A hurdle rate of 7.5% has been added for performance fees.
- Performance fee thresholds have increased to $1.1 mil and $2.1mil.
- The Tactical ETF Strategy has been removed.
- The Fee for Evitar Corte Strategy was changed to 0.5%.
- A more detailed Evitar Corte Description was added.

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Advisory Business

Equity Logic is a Delaware Limited Liability Company. It is an Investment Advisory firm founded in October, 2010, and is now operating as a virtual company. Records and client disclosures are stored in the cloud and not in a physical location and are available 24/7. Thomas H. Kee Jr. is the principal owner and Managing Director.

Equity Logic provides managed account services and supervises those, but not supervisory services. Equity Logic specializes in managing proactively traded portfolios of US-based equities and ETFs. Market timing plays a critical role in some strategies, but not all. Equity Logic invests in US equities and ETFs, and may invest in bonds for select clients, but not preferred stock, or other asset classes unless those are part of equity-based investments such as ETFs which are traded on US exchanges or are part of a personalized program for clients who request said investments. Instead, Equity Logic focuses on equity-based investments which are traded on established US stock exchanges. That may mean individual stocks, single weighted ETFs, double weighted ETFs, ETFs which have an embedded short bias, and ETFs which have an embedded long bias. That may also mean ETFs that engage in non equity or foreign equity transactions, but those ETFs must trade on US Exchanges themselves to qualify for investment consideration in Equity Logic Managed accounts.

Equity Logic does not tailor its investment strategy to the client except in unique circumstances. Strategy allocations may be different between clients based on their choices, but the defined strategies used by Equity Logic LLC are not designed for any specific client. If a client is attracted to one of the strategies and it is deemed suitable for that client then allocations to that strategy can be considered. Clients may not impose restrictions upon Equity Logic outside the boundaries of the managerial agreement and brochure unless tailored strategies are created, which would require separate mutual consent. If prohibitions restrict accounts from taking advantage of the strategies offered by Equity Logic, Equity Logic may not serve that client within the scope of the Strategies offered by Equity Logic, but may develop a unique strategy for that client after mutual consent has been received.

As of Dec 7, 2022 Equity Logic had approximately $9 million under management of which all is considered discretionary. No assets are being managed on a non-discretionary basis. There are no conflicts of interest to report which could be reasonably expected to impair the rendering of objective and unbiased investment advice.

Fees and Compensation including Performance Based Fees & Side By Side Management

The compensation of the Manager for its services under this Agreement shall be calculated and paid in accordance with the following Fee Schedule example, as the same may be amended from time to time by mutual written or electronic agreement between the Client and the Manager. The Client will provide written or electronic authorization to the Custodian to pay the fees of the Manager directly from the Investment Account upon a predefined schedule authorized by the client.

This simple fee schedule example is annualized, and requires approval and acceptance by both the Client and Manager.

Participation Fees are premised on a hurdle rate being surpassed. A hurdle rate is a performance threshold that an investment fund or account must reach in order for performance fees to kick in. As of 12.7.22 the hurdle rate was 7.5%. Participation fees, which may also be considered performance fees, are only applicable to Qualified Clients as provisioned by CCR section 260.234. These types of fees could result in a conflict of interest because the manager will make more, the greater the performance. To prevent conflicts from influencing managerial practices, Equity Logic remains transparent, strategies are governed by rules-sets, and client accounts are liquid.

Per CCR 260.234:

(1) The term ***qualified client*** means:

(i) A natural person who, or a company that, immediately after entering into the contract has at least $1,100,000 under the management of the investment adviser;

(ii) A natural person who, or a company that, the investment adviser entering into the contract (and any person acting on his behalf) reasonably believes, immediately prior to entering into the contract, either:

(A) Has a net worth (together, in the case of a natural person, with assets held jointly with a spouse) of more than $2,100,000. For purposes of calculating a natural person's net worth:

(1) The person's primary residence must not be included as an asset;

(2) Indebtedness secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time the investment advisory contract is entered into may not be included as a liability (except that if the amount of such indebtedness outstanding at the time of calculation exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess must be included as a liability); and

(3) Indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the residence must be included as a liability; or

(B) Is a qualified purchaser as defined in section 2(a)(51)(A) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(a)(51)(A)) at the time the contract is entered into; or

(iii) A natural person who immediately prior to entering into the contract is:

(A) An executive officer, director, trustee, general partner, or person serving in a similar capacity, of the investment adviser; or

(B) An employee of the investment adviser (other than an employee performing solely clerical, secretarial or administrative functions with regard to the investment adviser) who, in connection with his or her regular functions or duties, participates in the investment activities of such investment adviser, provided that such employee has been performing such functions and duties for or on behalf of the investment adviser, or substantially similar functions or duties for or on behalf of another company for at least 12 months.

Equity Logic charges different fees for different strategies. As of December 2022, Equity Logic was offering three different strategies, all of which were Market based and trade market based ETFs exclusively: The CORE Portfolio Strategy, ULTRA Core, and Evitar Corte.

Annualized Fees for Evitar Corte:

- 0.5% of AUM annually.

Fees for the CORE Portfolio Strategy:

- 1% of AUM annually + 20% Participation Fee

Fees for the Ultra CORE:

- 2% of AUM annually + 20% Participation Fee
- $2MM - $5MM = 1.5% + 20% Participation Fee
- $5MM - $10MM = 1% + 20% Participation Fee

Fees for Bond Accounts:

- The fixed fees for bond accounts are negotiable.
- The fees for bond accounts will be a percentage of return.
- The participation fee is expected to vary based on the objective of the account.

Fees for Personalized accounts:

- Personalized accounts may have differing fee structures.
- Those are largely determined by the requirements of the client.

Client Fees may be deducted daily in arrears, but participation fees will be based on quarterly or monthly performance. Assuming a 2% fee, the formula would be: Daily Fee = (2%/# business days in the year)) x Account Balance.

Clients may incur other fees, including commissions, but Equity Logic has no interest in and receives no consideration for those fees. Further, Equity Logic does not require pre-paid managerial fees and does not accept pre-paid management fees. Lower fees for comparable services may be available from other sources. Equity Logic does not participate in “wrap-fee” programs.

Equity Logic does not engage in side by side management (hedge fund and mutual fund management).

Types of Clients

Equity Logic typically provides managed account services to all types of investor so long as Equity Logic deems them suitable, they have the same objective and risk tolerance as Equity Logic strategies, and meet the $100,000 minimum initial investment requirement, or the client signs a letter of intent to meet that minimum within a defined mutually agreed upon timeframe.

If a client comes to Equity Logic through a third party advisor the minimum initial investment is reduced to $50K.

Methods of Analysis, Investment Strategies and Risk of Loss

Equity Logic obtains an assessment of market direction on a near, mid, and longer-term basis and uses those conclusions to help influence trading decisions in Market based ETFs.

Strategies:

One or a combination of strategies may be recommended from time to time based on our determination of current and future market conditions and from time to time Equity Logic may refuse to engage in some of the strategies even if requested by the client based on its own assessment of market conditions. Initial strategy allocations are expected to be determined at the onset of the managed account agreement, but may change based on conditions defined by Equity Logic over time.

The Strategies listed herein are Market Based and use Market Based ETFs preferably, but can also be used in large, diversified portfolios with cap gains consequences.

The Strategies offered by Equity Logic:

- Evitar Corte
- CORE Portfolio Strategy
- ULTRA Core
- Personalized strategies: For special-situation clients only and not pre-defined.

Our CORE Portfolio Strategy (tax efficient and scalable) is designed for low volatility and slow but steady growth. It utilizes SPY and SDS mostly, or Index ETFs of similar efficacy, and can protect an entire account within seconds. Typically, this strategy will spend more than 55% of the time protected from market conditions, and that adds to the lower relative volatility objective.

ULTRA Core: This strategy piggybacks on the CORE Portfolio Strategy, but preferably instead of using SPY it uses SSO (a leveraged ETF), and it is not tax efficient. IRAs and Qualified accounts can use this too. Ultra Core has the attributes of CORE, and seeks 2x the result, but added costs erode that added margin somewhat over time. From time to time margin may be used and instead of SSO, ULTRA may by 2x SPY instead with margin.

EVITAR CORTE: This strategy seeks to protect assets from market crashes when warnings come from the model, and to have clients remain fully invested at all other times. Ideally the allocation for cash deposits into this strategy would be to use SPY, and in qualified accounts move to cash when crash warnings come from the model, but the strategy can be overlayed onto existing diversified portfolios and taxable portfolios with large cap gains consequences too.

Grouping Procedures

Equity Logic will operate strategies in the same manner for every account with the exception of strategies uniquely tailored for a unique client. Equity Logic expects the fill prices for the trades in the strategies to be virtually the same for all accounts. The strategies are designed to take advantage of market moves in a proactive manner. Some trade actively at times, sometimes intraday trades are required, and sometimes these accounts will end in cash.

Trades in US and Canadian accounts in the same securities within the same strategies are expected to be executed within seconds of each other, with very liquid market-based instruments as vehicles, so as to get the closest possible fill price and maintain the integrity of the strategies, but Equity Logic realizes that slight divergences in price may come from separated trade execution arms.

Equity Logic attempts to strategically position client's assets in order to grow those accounts in a meaningful manner every year, regardless of economic conditions, and regardless of market direction.

Investment Decisions:

Thomas H. Kee Jr. manages all of the strategies here or designates a trader to execute trades for that strategy per his guidance.

In the event unique strategies are developed those may not be managed by Thomas H. Kee Jr. directly, depending on the direction of the client in defining the objective.

Risk of loss:

Often, Equity Logic will use double weighted ETFs to take advantage of moves in the market. These instruments are more volatile than traditional investments, and that volatility increases the risk profile of these instruments. Although measures will be taken to control risk, there is no guarantee that the market will remain stable, there is no guarantee that the market will not surprise, there is no guarantee that stops will not occur, and if that happens there is a higher probability of loss because double weighted ETFs have twice the exposure than single weighted instruments.

In fact, Equity Logic expects stops to occur in the accounts it manages, and it expects losses from time to time. By definition, proactive trading strategies require stops to be made and transitions to occur when technically important support or resistance levels break.

Disciplinary Information

There has been no disciplinary action taken against Thomas H. Kee Jr. or Equity Logic.

Other Financial Industry Activities and Affiliations

Neither Equity Logic nor Thomas Kee had any financial industry activities or affiliations that would cause a conflict of interest. There is no relationship or managerial arrangement that Thomas Kee or any associated person at Equity Logic has to report with any issuer of securities.

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

Equity Logic, its management or employees may participate along with clients in any strategies so long as it does so either along with the grouping procedures or after client allocations have been made. In order to participate in grouping procedures Equity Logic would therefore be part of the strategy group alongside clients and receive proportional fills and allocations as do clients.

Brokerage Practices

Equity Logic does not recommend broker-dealers nor receive compensation from broker-dealers. Equity Logic processes orders on an open exchange, based on the supply and demand of securities at various market makers, ECNs and brokerage firms, and orders may be placed at random. Equity Logic does not direct trades to brokerage firms unless that brokerage, ECN, or market maker happens to have the best liquidity at the time of the trade, and Equity Logic will not accept direction from a client to do so.

If a broker recommends or refers a client to Equity Logic he will do so at his discretion and it will not have a material impact or create a conflict of interest for any of the accounts managed by Equity Logic. Referred clients will be treated like every other client. If a conflict of interest arises, Equity Logic will report that conflict to all managed accounts.

Equity Logic will aggregate client accounts that have the same custodian so as not to create favorable or unfavorable incentives for any other client account. In doing so, the ability to execute trades as efficiently as trades in individual account transactions may be reduced. In addition, if more than one custodian exists, orders for aggregated accounts will be made for accounts at each custodian at reasonably the same time, so as not to create a conflict amongst accounts.

Review of Accounts

Equity Logic will review client accounts regularly and maintain a close eye on every position held therein that are part of the strategies it manages. Because trades will often be aggregated amongst all accounts, a review of all accounts separately is not necessary every time an aggregated trade is made. From there, because the same positions will be held in all accounts so long as those accounts were funded and active at the time of the transaction, a close review of the stocks held in the strategy group serves as a constant review of the positions in the unique accounts themselves.

Account statements will not be provided by Equity Logic, but Equity Logic assumes that the individual brokers for each client’s managed account will provide regular account statements and direct access to such accounts through the Internet which the client can access regularly.

Client Referrals and Other Compensation

Equity Logic does not receive consideration for the account management services it provides from anyone other than its clients. Nor does Equity Logic provide compensation to anyone for referrals who is not already registered. If Equity Logic does pay a registered entity a referral fee, that will not create a material conflict of interest, as the referral fees paid by Equity Logic will not cause client account fees to increase, and the referring party will have no authority, responsibility, or obligation to supervise the accounts referred to Equity Logic.

Equity Logic may negotiate fees for sub-accounts from referring RIAs and Wholesalers to properly compensate those industry professionals. These rates may vary between RIAs and Wholesalers.

Custody

Equity Logic will not have custody of client accounts. Instead, Equity Logic will work with the custodian of client accounts to manage those accounts properly. Fees are calculated and paid through the custodian of each account managed by Equity logic and Equity logic does not take custody of any monies other than the fees it is paid through the custodial transaction, which is a third party operating between Equity Logic and the Client for purposes of avoiding custody issues

Investment Discretion

Equity Logic maintains discretionary authority over the accounts it manages. Equity Logic will manage securities on behalf of its clients and aside from the limitations stated in this brochure, execute transactions in the good faith of its clients. Equity Logic will at no time have the authority to withdraw from or deposit monies into client accounts. Equity Logic acts as a manager for those accounts only, in accordance with managerial agreements submitted to the custodian of client accounts.

Voting Client Securities

Equity Logic does not vote client securities. The custodian, transfer agent, or broker for client accounts is responsible for providing proxies to the client. Equity Logic will not entertain questions about security specific solicitations.

Financial Information

Equity Logic has not been the subject of any bankruptcy proceeding over the past 10 years, further, Equity Logic does not require payment or prepayment of fees in advance from any client at any time.

Equity Logic has no financial condition which might impair its ability to meet the contractual commitments of its clients. In the event of a major disaster or collapse of the financial system whereas transactions could not be executed and financial markets could not be accessed as a result of, but not limited to, natural disaster, technological collapse, or otherwise, Equity Logic would not be able to meet its contractual duties.

Equity Logic has no conflicts of interest aside from participation fees, but if any material conflicts of interest arise Equity Logic would immediately notify its clients and address the conflict so that no conflicts of interest exist.

Requirements for State-Registered Advisers

Item 1:

Thomas H. Kee Jr.

Equity Logic, LLC

Mailing Address:

PO Box 922

La Jolla, CA 92038

866.213.2067

Item 2: Educational Background and Business Experience

Educational Background: Thomas H. Kee Jr. holds two Bachelor's Degrees in Business and Economics from Saint Mary's College of California (1992).

Date of birth: 1970

Business Experience:

Mr. Kee has over 30 years of experience in the financial industry. He is owner and financial advisor for Equity Logic. His responsibilities include strategy creation and implementation, client communication, economic and market analysis, compliance policy and procedure implementation.

Item 3: Disciplinary Information:

Mr. Kee (the "supervised person") has not been involved with any legal or disciplinary events material to a client's or prospective client's evaluation of the supervised person.

Item 4: Other Business Activities:

(A) Mr. Kee (the “supervised person”) is not actively engaged in any investment-related business or occupation, including being registered, or having an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant (“FCM”), commodity pool operator (“CPO”), or commodity trading advisor (“CTA”), nor is the supervised person an associated person of an FCM, CPO, or CTA.

(B) Mr. Kee (the “supervised person”) is actively engaged in a business or occupation for compensation not discussed in response to Item 4.(A), above, that provides a substantial source of the supervised person’s income but does not involve a substantial amount of the supervised person’s time. That business is a Newsletter-subscription business called Stock Traders Daily.

Item 5: Additional Compensation:

Mr. Kee (the “supervised person”) does not receive, from any non-Client, any economic benefit associated with advising Clients (such as sales awards and prizes, any bonus that is based on number or amount of sales, client referrals or new accounts, not including salary).

Item 6: Supervision:

Mr. Kee is the principle of Equity Logic and is regulated by the state of CA or SEC and the Ontario Securities Commission, but not supervised by anyone at Equity Logic. Instead, he is a supervisor.

Item 7: Requirements for State-Registered Advisors:

Mr. Kee is registered with NASD, the SEC, the OSC, and the State of California.

Of additional note:

Mr. Kee has not been accused of or found liable in any of the below:

1. Mr. Kee has not been found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:

(a) an investment or an investment-related business or activity;

(b) fraud, false statement(s), or omissions;

(c) theft, embezzlement, or other wrongful taking of property;

(d) bribery, forgery, counterfeiting, or extortion; or

(e) dishonest, unfair, or unethical practices.

2. Mr Kee has not been found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:

(a) an investment or an investment-related business or activity;

(b) fraud, false statement(s), or omissions;

(c) theft, embezzlement, or other wrongful taking of property;

(d) bribery, forgery, counterfeiting, or extortion; or

(e) dishonest, unfair, or unethical practices.