

**Firm Brochure**  
(Part 2A of Form ADV)

**ARISTA INVESTMENT ADVISORS**

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March 31, 2014

This brochure provides information about the qualifications and business practices of Arista Investment Advisors, Ltd which also uses the business name of Arista Wealth Advisors (Arista). Being a “registered investment adviser” or describing ourselves as being “registered” does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact Jerry Schwartz, Chief Compliance Officer, who is responsible for Arista’s regulatory requirements. He may be reached at (518) 464-0319. 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 Arista Investment Advisors is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by our firm name or by a unique identifying number known as a CRD number. The CRD number for Arista is 107763.

# Material Changes

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## Annual Update

Arista is required to advise you of any material changes to our Firm Brochure ("Brochure") from our last annual update, identify those changes on the cover page of our Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Brochure, and we must provide the date of the last annual update of our Brochure. The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Please note that we do not have to provide this information to a client or prospective client who has not received a previous version of our brochure.

Our last annual update was submitted on March 31, 2013.

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## Material Changes since the Last Update

Biographical information regarding our principals and investment advisors can be found on the form which is included as a separate document accompanying this brochure.

A material change of note for assets under management as of December 31, 2013 is a change of \$30,607,032 which represents a 17% increase from the amounts stated in the last annual update of this brochure.

In addition to the Material Changes set forth above, we will provide our clients with further information regarding any material changes at our firm at other times within a reasonable time after such changes occur and, pursuant to new SEC rules, we will provide our clients with such information no less than annually in our subsequent annual updates to our brochure by April 30<sup>th</sup> of each year.

Finally, as we always recommend, please review this brochure in its entirety upon receipt. Please contact us with any questions or comments that you may have regarding this brochure.

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## Full Brochure Available

To obtain our firm brochures and brochure supplements which include information about our principals and financial advisors, please visit our websites at [www.aristawa.com](http://www.aristawa.com) or [www.aristaadv.com](http://www.aristaadv.com), or email us at [eupdyke@burkecasserly.com](mailto:eupdyke@burkecasserly.com), telephone us at (518) 452-3805 for New York or at (518) 464-0319/(808) 531-5665 for Hawaii, fax us at (518) 452-4230, or mail your request to either address shown above.

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# Advisory Business

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## Firm Description

Arista Investment Advisors was founded in 1988.

Arista Investment Advisors provides personalized confidential financial and estate planning and investment management to individuals, pension and profit sharing plan participants, trustees, estate representatives, charitable organizations and small business owners. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial issues, cash flow management, tax planning, insurance review, investment management, education funding, retirement and estate planning, and planning for long term care.

Arista Investment Advisors is strictly a fee-only financial planning and investment management firm. The firm does not sell any commissioned products such as but not limited to annuities, insurance, stocks, bonds, mutual funds, or limited partnerships. Nor is the firm affiliated with any entity that sells financial products or securities.

Investment advice is provided in consultation with the client who makes the final decision on investment selection. Arista Investment Advisors does not act as a custodian of client assets. The client always maintains asset control. Arista Investment Advisors reviews account activity and places trades for clients under a limited power of attorney filed with the custodian of the assets. (For example, Charles Schwab.)

A written evaluation of each client's initial situation is provided to the client, often in the form of a net worth statement or Investment Policy Statement, or in the process of conversation, initially and in an ongoing manner. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. Frequent reviews occur but are not necessarily simultaneously communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest are disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

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## Principal Owners

Timothy E. Casserly, Gerald M. Schwartz and Karin J. Lopez are shareholders in Arista Investment Advisors, LTD.

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**Types of Advisory Services**

Arista Investment Advisors provides investment supervisory services, also known as asset management services; manages investment advisory accounts not involving investment supervisory services; furnishes investment advice through consultations; issues special reports about securities; and issues, charts, graphs, formulas, or other devices which clients may use to evaluate securities.

On more than an occasional basis, Arista Investment Advisors furnishes advice to clients on matters not involving securities, such as financial planning matters, taxation issues, and estate planning services that often include trust planning.

As of December 31, 2013, Arista Investment Advisors manages approximately \$211,382,456 in assets for approximately 300 clients. Approximately \$210,553,357 is managed on a discretionary basis, and \$829,099 is managed on a non-discretionary basis.

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**Tailored Relationships**

The goals and objectives for each client are documented in our physical files and/or electronically in our client relationship management system.

Investment policy statements are often created that reflect the stated goals and objectives of each client. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without client consent.

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**Types of Agreements**

The following agreements define the typical client relationships:

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**Financial Planning Agreement**

A financial plan is designed to help the client with segmented or all aspects of financial planning without ongoing investment management after the financial plan is completed.

The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations.



Detailed investment advice and specific recommendations are provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client.

The fee for a financial plan is predicated upon the facts and circumstances of the client engagement and billed on either a flat fee or on an hourly basis.

In the event that the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided per mutual agreement. The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

After delivery of a financial plan, future face-to-face meetings may be scheduled as necessary for up to one month. Follow-up implementation work may be billed separately at hourly rates ranging from \$125 to \$295 per hour.

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### **Advisory Service Agreement**

Most clients choose to have Arista Investment Advisors manage their assets in order to obtain ongoing in-depth advice and life planning. All aspects of the client's financial affairs are reviewed, including those of their children. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The scope of work and fee for an Advisory Service Agreement is provided to the client in writing prior to the start of the relationship. An Advisory Service Agreement includes: cash flow management; insurance review; investment management (including performance reporting); education planning; retirement planning; estate and tax planning, as well as the implementation of recommendations within each area.

The annual Advisory Service Agreement fee is based on a percentage of the investable assets according to the following schedule:

- 1.00% on the first \$1,000,000;
- 0.80% on the next \$1,500,000 (from 1,000,001 to 2,499,000); and
- 0.70% on the next \$2,500,000 (from 2,500,001 to 4,999,999); and
- 0.60% on assets above \$5,000,000.

Client relationships may exist where the fees are lower than the fee schedule; however, in certain cases where custody is maintained on an account such as through a Trustee relationship, the fees incurred may be slightly higher than demonstrated due to annual auditing fees imposed upon the account. In those cases, the client is notified ahead of time whereby a new advisory agreement is executed with full disclosure of fees.

Although the Advisory Service Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an

Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The basis for the fee computation uses the valuation of assets as of the day of termination.

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**Asset Management**

Assets are invested primarily in no-load mutual funds and exchange-traded funds, usually through discount brokers or fund companies. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Discount brokerages may charge a transaction fee for the purchase of some funds.

Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for stock and bond trades. Arista Investment Advisors does not receive any compensation, in any form, from fund companies.

Investments may also include: equities (stocks), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, and mutual funds shares), U. S. government securities, options contracts, futures contracts, and interests in partnerships.

Initial public offerings (IPOs) typically are not available through Arista Investment Advisors.

As a general rule we do not recommend private placements for clients. However, in the event of unsolicited requests by clients who are accredited investors and who wish to invest in private equity, fixed income or micro-finance instruments for diversification purposes, we will assist in the due diligence process. Our purpose is to help facilitate a better understanding of the risks and appropriateness of including specific private equity or debt instruments to their portfolios.

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**Termination of Agreement**

A Client may terminate any of the aforementioned agreements at any time by notifying Arista Investment Advisors in writing and paying the prorated fee for the time spent on the investment advisory engagement prior to notification of termination.

Arista Investment Advisors may terminate any of the aforementioned agreements at any time by notifying the client in writing.

# Fees and Compensation

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## Description

Arista Investment Advisors bases its fees on a percentage of assets under management and/or hourly charges.

Some *Retainer Agreements* may be priced based on the complexity of work, especially when asset management is not the most significant part of the relationship.

Financial plans are priced according to the degree of complexity associated with the client's situation.

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## Fee Billing

Investment management fees are billed quarterly, in arrears, meaning that we invoice you after the three-month billing period has ended. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

Fees for financial plans are billed on an hourly basis with bills sent incrementally (typically monthly) based on the time expended on the engagement.

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## Other Fees

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

Arista Investment Advisors, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

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## Expense Ratios

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to Arista Investment Advisors.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

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**Past Due Accounts and Termination of Agreement**

Arista Investment Advisors reserves the right to stop work on any account that is more than 30 days overdue. In addition, Arista Investment Advisors reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in Arista Investment Advisors' judgment, to providing proper financial advice.

## **Performance-Based Fees**

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**Sharing of Capital Gains**

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

Arista Investment Advisors does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

## **Types of Clients**

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**Description**

Arista Investment Advisors generally provides investment advice to individuals, pension and profit sharing plan participants, trustees, estate representatives, charitable organizations or business owners.

Client relationships vary in scope and length of service.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

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**Methods of Analysis**

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission and company press releases.

Arista Investment Advisors will affect on-site product due-diligence as an additional security analysis method when appropriate. Other sources of information that Arista Investment Advisors may use include Morningstar Advisor Workstation, third party newsletters and research, Charles Schwab & Company's Institutional website and the World Wide Web.

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## **Investment Strategies**

The primary investment strategy used on client accounts is strategic asset allocation utilizing a core and satellite approach. This means that we use actively-managed funds where there are greater opportunities to make a difference as the core investments, and then add passively-managed index and exchange-traded funds, equities, bonds, certificates of deposit, and annuities. Portfolios are globally diversified to control the risk associated with traditional markets. In some cases, asset allocations specifically reflect client wishes.

Investment Advisory Services typically include helping the client to identify and define investment objectives and goals, establish time horizons, risk tolerances and asset allocations, draft investment policy statements, determine investment strategies and appropriate performance benchmarks, portfolio construction, performance monitoring and reporting. The investment strategy for a specific client is based upon the objectives stated by the client during consultations and written information submitted. The client may change these objectives at any time. Each client is encouraged to execute an Investment Policy Statement that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases, short-term purchases, trading, margin transactions, and option writing (including covered options, uncovered options or spreading strategies).

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## **Risk of Loss**

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## **Disciplinary Information**

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### **Legal and Disciplinary**

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

## **Other Financial Industry Activities and Affiliations**

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### **Financial Industry Activities**

Arista Investment Advisors will implement a financial plan or fee-based investment advisory program using any such other agents and services as directed by the client, including no-load products through Charles Schwab & Co. Institutional Services or other clearing firms/custodians. Other custodians can include, but are not limited to the following: Fidelity, Nationwide, Pioneer Investments, American Funds, Allianz Life, Phoenix, Prudential, Oppenheimer Funds, Franklin Templeton, and Security Benefit, a Guggenheim Partners company.

Arista Investment Advisors also provides data account aggregation services through By All Accounts which allows us to perform a global overview of all client portfolios and provide management services for outside accounts when requested by the client.

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**Affiliations**

Arista Investment Advisors has arrangements that are material to its advisory clients with a related person who is a law firm.

If requested by a client, legal services may be provided through Burke & Casserly, PC and are billed separately and confidentially through the law firm.

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

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**Code of Ethics**

Arista Investment Advisors has established this code of ethics to set the tone for the conduct and professionalism of all employees of the firm. This code of ethics is designed to:

- Protect the firm's clients by deterring misconduct;
- Educate employees regarding the firm's expectations and the laws governing their conduct;
- Promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- Promote the avoidance of conflicts of interest, including disclosure to an appropriate person or persons identified in the code of any material transaction or relationship that reasonably could be expected to give rise to such a conflict;
- Promote full, fair, accurate, timely, and understandable disclosure in reports and documents that a company files with, or submits to, the Commission and in other public communications made by the company;
- Promote compliance with applicable governmental laws, rules and regulations and guard against violation of the securities laws;
- Promote the prompt internal reporting to an appropriate person or persons identified in the code of violations of the code;
- Promote the accountability for adherence to the code;
- Remind employees that they are in a position of trust and must act with complete propriety at all times;

- Protect the reputation of the firm;
- Establish procedures for employees to follow so that Arista Investment Advisors may determine whether their employees are complying with the firm's ethical principles.
- Arista Investment Advisors Inc. will provide a full version of the firm's Code of Ethics to any client or prospective client upon request.

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### **Participation or Interest in Client Transactions**

Arista Investment Advisors and its employees may buy or sell securities (for their own/related personal accounts) that are also held by clients. Employees may not trade their own securities ahead of client trades. Arista Investment Advisors maintains an internal consolidated listing of purchases and sales in such accounts of related parties so as to avoid any conflicts of interest with any client transactions. Employees comply with the provisions of the Arista Investment Advisors *Compliance Manual*.

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### **Personal Trading**

The Chief Compliance Officer of Arista Investment Advisors is Jerry Schwartz. He reviews all employee trades each quarter. His trades are reviewed by Timothy Casserly. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

## **Brokerage Practices**

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### **Selecting Brokerage Firms**

Arista Investment Advisors may recommend that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc., a registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts.

Arista Investment Advisors is independently owned and operated and not affiliated with Schwab. Factors considered include the company's financial strength and reputation; quality of support services provided; efficiency and integration of technology; access to research; availability of products.

Clients may or may not pay higher transactions fees than those obtainable from other brokers; however, Arista currently finds that the overall cost competitiveness and benefit of utilizing Charles Schwab & Co.'s platform outweighs other relevant factors.



Among other resources used, research offered through Charles Schwab & Co. is used to service all of Arista Investment Advisors' accounts at no cost to the client.

Arista Investment Advisors is under no obligation to direct client transactions to Charles Schwab & Co. in return for products and research services provided, and receives no "soft dollar" credits, preferential treatment or reciprocal benefits for doing so with the exception of a software maintenance credit of approximately \$1500 per year.

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**Best Execution**

It is the duty of Arista Investment Advisors to seek best execution on securities transactions. This means that we must seek to execute client trades at the best net price considering all relevant circumstances. In order to obtain better services (better access, timely execution, expertise, better error record), it would be acceptable to pay up for better execution.

Arista Investment Advisors performs a periodic review of best execution. The review is documented. The review will look at best price (trade ticket look-back) and the services available at the executing broker/dealer (due diligence analysis).

**Trade Tickets**

- Look-back sample review of price execution (custodian database for time and price)
- Due Diligence Analysis on Executing Broker (Performed at least annually)
- Competitiveness of commission rates
- Statistics on quality of execution
- Ability to handle trades and answer calls in volatile markets
- Research for the benefit of clients
- Willingness, ability, facilities, infrastructure to work with RIAs
- Trading errors and ability to correct (based on history)

Trading fees charged by the custodians are reviewed at least annually and a schedule of such fees is maintained. Arista Investment Advisors does not receive any portion of the trading fees.

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**Soft Dollars**

Arista Investment Advisors receives a software maintenance credit of about \$1,500 per year from Charles Schwab & Company because some client assets are custodied at Schwab. This credit offsets annual maintenance fees for our portfolio management software. All clients benefit from this credit as it reduces the firm's overall expenses.

The selection of Charles Schwab & Company as a custodian for clients is not affected by this nominal credit.

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**Order Aggregation**

Arista Investment Advisors does not execute block trades in general. Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit. However, an exception can be made when executing an Inter Class Exchange (ICE). This program consists of switching from a NTF (no transaction fee) fund to an Institutional share class typically with lower expense ratios.

## **Review of Accounts**

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**Periodic Reviews**

Holdings across client accounts are periodically reviewed. Account reviews are performed at least quarterly by advisors Timothy Casserly, Esq., CFP®, Principal; Gerald Schwartz, MA, CFP®, Principal; or Karin Lopez, MBA, Principal. Account reviews are performed more frequently if client circumstances or market conditions dictate. Although the client may engage their advisor to review their plan at any time, the advisor encourages the client to at least meet for an annual review.

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**Review Triggers**

Other conditions that may trigger a review are changes in the tax laws, significant changes in economic or market conditions, new investment information, and changes in a client's personal and/or financial circumstances or investment objectives.

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**Regular Reports**

Account reviewers are typically the account managers and principals of the firm. They consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive quarterly and annual reports from Arista Investment Advisors. Quarterly and annual reports may include a client letter, portfolio appraisal, realized gains and losses, unrealized gains & losses, interest, dividends and expenses, contributions/withdrawals, and performance history statements. Tax reports, as needed, are sent to the client annually. The client may request review and updating of the original program or plan at intervals chosen by him or her. This review and updating may or may not include investment advice, depending upon the investment climate and the client's financial situation. Furthermore, in situations where advisory services have been engaged, portfolio reports and summaries may be furnished to the client on a schedule as set forth by each service.

# Client Referrals and Other Compensation

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## **Incoming Referrals**

Arista Investment Advisors has been fortunate to receive many client referrals over the years. The referrals are from current clients, attorneys, accountants, employees, personal friends of employees and other similar sources. If any fees are paid for these referrals, the client is provided documentation acknowledging the referral agreement.

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## **Referrals Out**

Arista Investment Advisors does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

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## **Other Compensation**

Arista Investment Advisors may recommend that clients establish brokerage accounts with the Schwab Advisor Services® division of Charles Schwab & Co., Inc. (Schwab), a FINRA-registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although Arista Investment Advisors may recommend that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. Arista Investment Advisors is independently owned and operated and not affiliated with Schwab.

Schwab provides Arista Investment Advisors with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets is maintained in accounts at Schwab Advisor Services, and are not otherwise contingent upon Arista Investment Advisors committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For Arista Investment Advisors' client accounts maintained in its custody, Schwab generally does not charge separately for custody but is compensated by account holders through transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab's products and services that assist Arista Investment Advisors in managing and administering clients' accounts include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide

research, pricing information and other market data; facilitate payment of Arista Investment Advisors fees from its clients' accounts; and assist with back-office functions, recordkeeping and client reporting.

Schwab Advisor Services also offers other services intended to help Arista Investment Advisors manage and further develop its business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to Arista Investment Advisors. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Arista Investment Advisors. Schwab Advisor Services may also provide other benefits such as educational events or occasional business entertainment of Arista Investment Advisors personnel.

In evaluating whether to recommend or require that clients custody their assets at Schwab, Arista Investment Advisors may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

## **Custody**

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### **Account Statements**

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly, but typically monthly. Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct Schwab to deduct our advisory fees directly from your account [or if you grant us authority to move your money to another person's account]. Schwab maintains actual custody of your assets. You will receive account statements directly from Schwab at least quarterly. They will be sent to the email or postal mailing address you provided to Schwab. You should carefully review those statements promptly when you receive them. Arista Investment Advisors also urge you to compare Schwab's account statements to the periodic portfolio reports you will receive from us.

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### **Performance Reports**

Arista Investment Advisors sends quarterly portfolio and investment reports to clients at their address of record. Clients are urged in writing to compare the account statements received directly from their custodians to the performance report statements provided by Arista Investment Advisors.

## Investment Discretion

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### **Discretionary Authority for Trading**

Arista Investment Advisors accepts discretionary authority to manage securities accounts on behalf of clients. Arista Investment Advisors has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold.

Once parameters are set for allocations, many clients just give us permission to select and implement, without constantly needed specific approvals. However, Arista Investment Advisors consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given.

The client approves the custodian to be used. Arista Investment Advisors does not receive any portion of the transaction fees paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in client accounts on their behalf so that we may promptly implement the investment policy approved by them in writing.

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### **Limited Power of Attorney**

A limited power of attorney is a trading authorization for this purpose. Clients sign a limited power of attorney so that we may monitor their accounts and execute trades on their behalf.

## Voting Client Securities

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### **Proxy Votes**

As a rule, we don't engage in proxy voting for clients. Our responsibility for voting client proxies is based on mutual agreement and limited to those clients who have given us authority to vote.

Arista Investment Advisors will disclose any significant relationship with the issuer, its affiliates, or a security holder proponent of the matter on which proxy voting advice is given, as well as any material interest of our firm in the matter;

If a conflict of interest exists, it will be disclosed to the Client.

We shall receive no special commission or remuneration for furnishing the voting advice from any person other than the security holder recipient thereof; and the voting advice will not be furnished on behalf of any person soliciting proxies, or on behalf of a participant in an election contest subject to SEC Rule 14a-11.

Arista Investment Advisors shall not communicate with the press concerning a proxy.

Deviations from these policies may require Arista Investment Advisors to comply with SEC Proxy Registration Rules.

## **Procedures**

Custodian banks are directed by the clients who choose to have use vote the proxies to forward proxy materials directly to us. Each proxy ballot received is matched to the securities to be voted, and a reminder is sent to any custodian that has not forwarded the proxies within a reasonable time. A "Voting Record" is updated as ballots are received. "Proxy Report" sheets are prepared for the appropriate company and any exceptions to voting with Management on all special issues. A member of the administrative Portfolio Team responsible for the client for whom the special issues apply also reviews the Proxy Voting Report to ensure consistency with the client's request. All voting ballots are then registered online at proxyvote.com. For those clients who have requested it, we send out a notice of our vote. This is sent in some cases as a record of an actual vote and in other cases as a guideline for those voting proxies themselves.

## **Recordkeeping**

As required by Rule 204-2(c), we will maintain:

- a copy of these policies and procedures;
- proxy statements received regarding client securities;
- a record of each vote cast;
- a copy of any document created by us that was material to making a decision how to vote proxies on behalf of a client or that memorializes the basis for that decision; and
- each written client request for proxy voting records and our written response to any (written or oral) client request for such records.

All proxy-voting records are maintained in an easily accessible place for a period of five years.

Clients may request a copy of these policies and procedures, which may be updated from time to time, or for information regarding how proxies were voted, by contacting:

Arista Investment Advisors, LTD.  
255 Washington Avenue Extension, Ste. 106  
Albany, NY 12205

Please make all requests in writing.

## Financial Information

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### Financial Condition

Arista Investment Advisors does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because Arista Investment Advisors does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.

## Business Continuity Plan

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### General

Arista Investment Advisors has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

### Disasters

Arista Investment Advisors has a separate Disaster Recovery Plan in addition to the Business Continuity Plan which covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

### Alternate Offices

Alternate offices are identified in the Disaster Recovery Plan to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

### Loss of Key Personnel

Arista Investment Advisors has cross training and coverage of its personnel to cover their duties and responsibilities in the event of serious disability or death.

## Information Security Program

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### Information Security

Arista Investment Advisors maintains an information security program to reduce the risk that your personal and confidential information may be breached.

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## Privacy Notice

Arista Investment Advisors, Ltd., an independent financial planning firm, is committed to safeguarding the confidential information of its clients. We hold all personal information provided to our firm in the strictest confidence. Indeed, we require your specific permission before we will discuss your affairs with anyone external to the firm or to our authorized agents and subcontractors. These records include all personal information that we collect from you in connection with any of the services provided by Arista Investment Advisors, Ltd.

We have never disclosed information to nonaffiliated third parties (such as brokerage firms, credit-card or insurance companies), except as permitted by law, or in carrying out the duties for which you retained us. We do not anticipate any change to this policy, and, in the unlikely event that we were to change it, we will contact you prior to such a change and give you the option to protect your data.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

Our policy with respect to personal information is as follows:

- We limit access to information to only those employees who have a business or professional reason for knowing it, and only to nonaffiliated parties as permitted or required by law. (For example, federal regulations permit us to share a limited amount of information about you with a brokerage firm in order to execute securities transactions on your behalf; with federal and state regulators, in the course of inspecting us may also have access to your data; and in cases where our firm needs to discuss your financial situation with your accountant or lawyer.)
- We maintain a secure physical office and our computer network is protected by a security firewall to ensure that your information is not placed at unreasonable risk.
- For unaffiliated third parties that require access to your personal information (such as a brokerage firm,) we also require strict confidentiality in our agreements with them and expect them to keep this information private.
- We do not provide your personally identifiable information to mailing list vendors or solicitors for any purpose.
- Personally identifiable information about you will be maintained during the time you are a client, and for the required time thereafter that such records are required to be maintained by federal and state securities



laws, and consistent with the CFP Board Code of Ethics and Professional Responsibility. After this required period of record retention, all such information may be destroyed.

- Disclosure of private client information is an offense subjecting employees to termination.

## Brochure Supplement (Part 2B of Form ADV)

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### Education and Business Standards

Arista Investment Advisors requires that advisors in its employ have a bachelor's degree and further advanced coursework demonstrating knowledge of financial planning and tax planning. Examples of acceptable coursework include: an MBA, a CFP®, a CFA, a ChFC, JD, CTFA, EA or CPA. Additionally, advisors must have work experience and continuing education that demonstrates their aptitude for financial planning and investment management.

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### Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

Certified Financial Planner™ (CFP®): Certified Financial Planners™ are licensed by the CFP Board to use the CFP® mark. CFP® certification requirements:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP Board ([www.cfp.net](http://www.cfp.net)).
- Successful completion of the 10-hour CFP® Certification Exam.
- Three-year qualifying full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.

Masters of Business Administration (MBA): The Masters of Business Administration is a post graduate degree in business communication.

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**Timothy E. Casserly CFP<sup>®</sup>, ESQ. – Principal/President/ /Treasurer**

Date of birth: 05/06/59

Educational Background:

- Boston College BA 1981
- Albany Law School JD 1984

Business Experience:

- Arista Investment Advisors, LTD. (formerly known as Burke Casserly & Associates) 9/88 to present
- Burke & Casserly, P.C. 9/88 to present (Law Firm)

Additional Compensation: Legal fees through law firm affiliation

Supervision:

Timothy E. Casserly is supervised by Gerald M. Schwartz, CCO/Principal and Karin J. Lopez, Principal. They review Tim's work through frequent office interactions as well as remote interactions. They also review Tim's activities through our client relationship management system.

Gerald Schwartz's contact information:

Phone: 518-464-0319

EMAIL: [jerry@aristaadv.com](mailto:jerry@aristaadv.com)

Karin Lopez's contact information:

Phone: 518-452-3805

EMAIL: [klopez@burkecasserly.com](mailto:klopez@burkecasserly.com)

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**Gerald M. Schwartz, CFP<sup>®</sup> – Principal/Chief Compliance Officer/Vice President**

Date of birth: 08/09/47

Educational Background:

- SUNY at Stony Brook BA 1970
- University of Hawaii MA 1972

Business Experience:

- Arista Investment Advisors, LTD. 8/95 to present
- Group Nine Financial Planning 0/84 to 8/95 (merged with Burke and Casserly Associates to form Arista Investment Advisors, LTD.)
- Registered Representative/Registered Principal – Walnut Street Securities (formerly known as Nathan & Lewis Securities, Inc.), Broker/Dealer 3/89 to 3/04

- Advisor Representative – Walnut Street Securities (formerly known as Nathan & Lewis Securities, Inc.), Registered Investment Advisor 11/96 to 3/04
- Registered Representative – Merrill Lynch, 11/77 to 1/84

Supervision:

Gerald M. Schwartz is supervised by Timothy E. Casserly. He reviews Jerry's work through frequent office interactions as well as remote interactions. He also reviews Jerry's activities through our client relationship management system.

Timothy Casserly's contact information:

Phone: 518-452-3805

EMAIL: [tcasserly@burkecasserly.com](mailto:tcasserly@burkecasserly.com)

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**Karin J. Lopez, MBA – Principal/Vice President/Secretary**

Date of birth: 01/06/67

Educational Background:

- State University of New York at Albany BA
- State University of New York at Albany MBA

Business Experience:

- Arista Investment Advisors, LTD. 2/02 to present
- Registered Representative, 2001 to 2/06
- Capital Growth & Shelter Financial Services, 9/99 to 2/02

Supervision:

Karin Lopez is supervised by Gerald M. Schwartz, CCO/Principal and Timothy E. Casserly. They review Karin's work through frequent office interactions as well as remote interactions. They also review Karin's activities through our client relationship management system.

Gerald Schwartz's contact information:

Phone: 518-464-0319

EMAIL: [jerry@aristaadv.com](mailto:jerry@aristaadv.com)

Timothy Casserly's contact information:

Phone: 518-452-3805

EMAIL: [tcasserly@burkecasserly.com](mailto:tcasserly@burkecasserly.com)