

# **ARISTA WEALTH ADVISORS, LTD.**

## **Firm Brochure - Form ADV Part 2A**

Effective September 22, 2017

This brochure provides information about the qualifications and business practices of Arista Wealth Advisors, Ltd. If you have any questions about the contents of this brochure, please contact Karin Lopez, Chief Compliance Officer, who is responsible for Arista's regulatory requirements. She may be reached at (518) 452-3805. 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 Wealth 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 our unique identifying number known as a CRD number: 107763.

**Arista Wealth Advisors, LTD**  
255 Washington Ave, Ext. Ste 104  
Albany, NY 12205

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

## **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, 2017.

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### **Material Changes since the Last Update**

Biographical information regarding our principals and investment advisors can be found as an addendum to this brochure.

A material change of note for assets under management as of December 31, 2016 is an increase of \$12,172,625 in assets managed by Timothy Casserly and Karin Lopez. This represents an increase of almost 11% from the amounts stated in the last annual update of this brochure.

Gerald Schwartz is no longer a partner at Arista Wealth Advisors along with two of his advisors that worked with him: Bernard C. Murphy, CFP® and Melissa Lydon.

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 brochure and brochure supplements which include information about our principals and financial advisors, please visit our website at [www.aristawa.com](http://www.aristawa.com) or email us at [klopez@aristawa.com](mailto:klopez@aristawa.com). You may also call us at (518) 452-4230 or mail your request to the address as shown above.

## Item 3 -Table of Contents

### Item 1 – Cover Page

### Item 2 - Material Changes ..... ii

Annual Update ..... ii

Material Changes since the Last Update ..... ii

Full Brochure Available ..... ii

### Item 3 -Table of ContentsFull ..... ii

### Item 4 - Advisory Business..... 4

Firm Description ..... 4

Principal Owners ..... 5

Types of Advisory Services ..... 5

Tailored Relationships..... 5

Types of Agreements ..... 5

Financial Planning Agreement ..... 5

Advisory Service Agreement..... 6

Asset Management ..... 6

Termination of Agreement..... 7

### Item 5 - Fees and Compensation..... 7

Description..... 7

Fee Billing..... 8

Other Fees ..... 8

Past Due Accounts and Termination of Agreement ..... 9

### Item 6 - Performance-Based Fees..... 9

Sharing of Capital Gains ..... 9

### Item 7 - Types of Clients ..... 9

Description..... 9

### Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss..... 9

Methods of Analysis ..... 9

Investment Strategies.....10

Risk of Loss.....10

<b>Item 9 - Disciplinary Information .....</b>	<b>11</b>
Legal and Disciplinary.....	11
<b>Item 10 - Other Financial Industry Activities and Affiliations.....</b>	<b>11</b>
Financial Industry Activities.....	11
Affiliations .....	12
<b>Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....</b>	<b>12</b>
Code of Ethics .....	12
Participation or Interest in Client Transactions .....	13
Personal Trading .....	13
<b>Item 12 - Brokerage Practices .....</b>	<b>13</b>
Selecting Brokerage Firms .....	13
Best Execution .....	15
Soft Dollars .....	15
Order Aggregation.....	15
<b>Item 13 - Review of Accounts .....</b>	<b>16</b>
Periodic Reviews .....	16
Review Triggers .....	16
Regular Reports .....	16
<b>Item 14 - Client Referrals and Other Compensation .....</b>	<b>16</b>
Incoming Referrals .....	16
Referrals Out.....	17
Other Compensation.....	17
<b>Item 15 - Custody .....</b>	<b>18</b>
Account Statements .....	18
Performance Reports.....	18
<b>Item 16 - Investment Discretion.....</b>	<b>19</b>
Discretionary Authority for Trading .....	19
Limited Power of Attorney.....	19
<b>Item 17 - Voting Client Securities .....</b>	<b>19</b>
Proxy Votes .....	19

<b>Item 18 - Financial Information .....</b>	<b>21</b>
Financial Condition .....	21
<b>Item 19 - Business Continuity Plan .....</b>	<b>21</b>
General.....	21
Disasters.....	21
Alternate Offices .....	21
Loss of Key Personnel .....	21
<b>Item 20 - Information Security Program .....</b>	<b>22</b>
Information Security .....	22
Privacy Notice .....	22
<b>ADV Part 2B .....</b>	<b>20</b>
Education and Business Standards .....	24
Professional Certifications .....	24
Timothy E. Casserly CFP®, ESQ. – Principal/President/ /Treasurer .....	25
Karin J. Lopez, MBA – Chief Compliance Officer/Principal/Vice President/Secretary.....	26
Kevin D. McLoughlin CFP® - Senior Wealth Advisor .....	267

## **Item 4 - Advisory Business**

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### **Firm Description**

Arista Wealth Advisors, LTD. is a registered investment advisor with the U.S. Securities and Exchange Commission ("SEC"). Arista Wealth Advisors was founded in 1988 and is owned by Timothy E. Casserly and Karin J. Lopez.

Arista Wealth 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 Wealth 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 Wealth Advisors does not act as a custodian of client assets. The client always maintains asset control. Arista Wealth 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 may be 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 and Karin J. Lopez are shareholders in Arista Wealth Advisors, LTD.

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## **Types of Advisory Services**

Arista Wealth 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 Wealth 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, 2016, Arista Wealth Advisors manages approximately \$127,707,742 in assets for approximately 126 clients. Approximately \$127,627,769 is managed on a discretionary basis, and \$79,973 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.

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### **Advisory Service Agreement**

Most clients choose to have Arista Wealth 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 can include: 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.

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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 Wealth Advisors does not receive any compensation, in any form, from fund companies.

As a general rule, we limit our advisory services to these investments: equities (stocks), corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (variable annuities, and mutual funds shares), U. S. government securities, and interests in partnerships.

Initial public offerings (IPOs) typically are not available through Arista Wealth Advisors. Arista Wealth Advisors does not currently recommend private placements for clients. These recommendations are available to clients who meet the requirements established by the Securities and Exchange Commission to be considered accredited investors. 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 Wealth Advisors in writing and paying the prorated fee for the time spent on the investment advisory engagement prior to notification of termination.

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

## **Item 5 - Fees and Compensation**

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### **Description**

Arista Wealth 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.

The annual Advisory Service Agreement fee for assets under management 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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## **Financial Planning Fees**

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 \$150 to \$325 per hour.

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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 Wealth 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 Wealth 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 Wealth Advisors reserves the right to stop work on any account that is more than 30 days overdue. In addition, Arista Wealth 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 Wealth Advisors' judgment, to providing proper financial advice.

## **Item 6 - 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 Wealth 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.

## **Item 7 - Types of Clients**

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### **Description**

Arista Wealth Advisors generally provides investment advice to individuals, high net worth individuals, pension and profit sharing plan participants, trustees, estate representatives, or business owners.

Client relationships vary in scope and length of service.

## **Item 8 - 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 Wealth Advisors will affect product due-diligence thru on site visits and or industry conferences as an additional security analysis method when appropriate. Other sources of information that Arista Wealth 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 with a combination of actively and passively managed funds. This means that we may use actively-managed funds where there may be 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.

## **Item 9 - 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.

## **Item 10 - Other Financial Industry Activities and Affiliations**

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### **Financial Industry Activities**

Arista Wealth 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, TIAA Cref, and Jefferson National. Arista Wealth 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 Wealth 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.

This can be viewed as a potential conflict of interest and therefore it should be understood that clients are not required to use the legal services offered by an attorney working for the adviser.

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

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### **Code of Ethics**

Arista Wealth 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 Wealth Advisors may determine whether their employees are complying with the firm's ethical principles.
- Arista Wealth 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 Wealth 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 Wealth 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 Wealth Advisors *Compliance Manual*.

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### **Personal Trading**

The Chief Compliance Officer of Arista Wealth Advisors is Karin Lopez. She reviews all employee trades each quarter. Her 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.

## **Item 12 - Brokerage Practices**

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### **Selecting Brokerage Firms**

Arista Wealth Advisors does not maintain custody of your assets that we manage, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account. See Custody below. Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We request that our clients use Charles Schwab & Co., Inc. (Schwab), a FINRA-registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we request that you use Schwab as custodian/broker, you will decide whether to do so and open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account, as described in the next paragraph.

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## **How We Select Brokers/Custodians**

We seek to use a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, these:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capability to execute, clear and settle trades (buy and sell securities for your account)
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- breadth of investment products made available (stocks, bonds, mutual funds, exchange traded funds (ETFs), etc.)
- availability of investment research and tools that assist us in making investment decisions
- quality of services
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- reputation, financial strength and stability of the provider
- their prior service to us and our other clients
- availability of other products and services that benefit us, as discussed below (see “Products and Services Available to Us from Schwab”)

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## **Your Custody and Brokerage Costs**

For our clients’ accounts it maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Schwab’s commission rates applicable to our client accounts were negotiated. This commitment benefits you because the overall asset-based fees you pay are lower than they would be if we had not made the commitment. In addition to asset-based fees, Schwab charges you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account.

Arista Wealth 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 occasional software maintenance credits. None were received in 2016.



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## **Best Execution**

It is the duty of Arista Wealth 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 Wealth 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 Wealth Advisors does not receive any portion of the trading fees. Additional trade checks are performed on a regular basis to be sure client trades and security pricing are within normal trading ranges for the day of the trade.

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## **Soft Dollars**

In the past, Arista Wealth Advisors has received software maintenance credits of about \$1,500 from Charles Schwab & Company because some client assets are custodied at Schwab. This credit was used to offset 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 Wealth 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.

## **Item 13 - 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; and 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.

### **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.

### **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 will receive monthly statement reports from Schwab as well as year end tax reports. Clients will also receive quarterly and annual reports from Arista Wealth 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.

## **Item 14 - Client Referrals and Other Compensation**

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### **Incoming Referrals**

Arista Wealth 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.

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## **Referrals Out**

Arista Wealth 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 Wealth 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 Wealth Advisors may recommend that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. Arista Wealth Advisors is independently owned and operated and not affiliated with Schwab.

Schwab provides Arista Wealth 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 Wealth 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 Wealth 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 Wealth 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 Wealth 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 Wealth 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 Wealth 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 Wealth Advisors. Schwab Advisor Services may also provide other benefits such as educational events or occasional business entertainment of Arista Wealth Advisors personnel.

In evaluating whether to recommend or require that clients custody their assets at Schwab, Arista Wealth 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.

## **Item 15 - 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 Wealth Advisors also urge you to compare Schwab's account statements to the periodic portfolio reports you will receive from us.

Arista Wealth Advisors has engaged the services of an independent public accountant to conduct an annual surprise examination of all client funds and securities for the accounts that fall under our custody.

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### **Performance Reports**

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

## **Item 16 - Investment Discretion**

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### **Discretionary Authority for Trading**

Arista Wealth Advisors accepts discretionary authority to manage securities accounts on behalf of clients. Arista Wealth 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 Wealth 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 Wealth 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.

## **Item 17 - 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 Wealth 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 Wealth Advisors shall not communicate with the press concerning a proxy.

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## **Procedures**

Custodian banks are directed by the clients who choose to have us 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.

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## **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 submitting a written request in writing to:

Arista Wealth Advisors, LTD.  
255 Washington Avenue Extension, Ste. 104  
Albany, NY 12205

## **Item 18 - Financial Information**

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### **Financial Condition**

Arista Wealth 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 Wealth 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.

## **Item 19 - Business Continuity Plan**

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### **General**

Arista Wealth 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.

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### **Disasters**

Arista Wealth 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.

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### **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.

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### **Loss of Key Personnel**

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

## **Item 20 - Information Security Program**

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### **Information Security**

Arista Wealth 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 Wealth 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 Wealth 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.

# **ARISTA WEALTH ADVISORS, LTD.**

## **Firm Brochure - Form ADV Part 2B**

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### **Education and Business Standards**

Arista Wealth 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 or Licenses**

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 (<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.

**Licenses:** Having held, as a FINRA registered representative, the series 7 and 63 licenses for a minimum of five years.

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

Born: 1959

**Educational Background:**

- Boston College BA 1981
- Albany Law School JD 1984
- College For Financial Planning CFP 1989

**Business Experience:**

- Arista Wealth Advisors, LTD. (formerly known as Burke Casserly & Associates) 11/88 to present
- Burke & Casserly, P.C. 9/88 to present (Law Firm)

**Additional Compensation (Outside Business Activities):** Tim is an attorney and earns additional compensation through legal fees collected from his law firm affiliation with Burke & Casserly; however clients are not required to engage his services.

**Supervision:**

Timothy E. Casserly is supervised by Karin J. Lopez, CCO/Principal. She reviews Tim's work through frequent office interactions as well as remote interactions. She also reviews Tim's activities through a client relationship management system.

**Karin Lopez's contact information:**

Phone: 518-452-3805

EMAIL: klopez@aristawa.com

**Disciplinary Action:** None

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

Born: 1967

**Educational Background:**

- State University of New York at Albany BA 1989
- State University of New York at Albany MBA 1997

**Business Experience:**

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

**Additional Compensation (Outside Business Activities):** None

**Supervision:**

Karin Lopez is supervised by Timothy E. Casserly. He reviews Karin's work through frequent office interactions as well as remote interactions. He also reviews Karin's activities through a client relationship management system.

Timothy Casserly's contact information:

Phone: 518-452-3805

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

**Disciplinary Action:** None

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**Kevin D. McLoughlin, CFP® - Senior Wealth Advisor**

Born: 1983

**Educational Background:**

- St. Joseph's University BS, Finance 2006
- Georgetown University Executive Cert. Financial Planning 2007

**Business Experience:**

- Arista Wealth Advisors, LTD. 9/17-Present
- Capital Financial Services, LLC 2016
- Deloitte & Touche, LLC 2014 to 2015
- Booz Allen Hamilton 2010 to 2013
- Hopwood Financial Services, Inc. 2006 to 2010

**Additional Compensation (Outside Business Activities):** None

**Supervision:**

Kevin McLoughlin is supervised by Karin Lopez, CCO/Principal. Karin reviews Kevin's work through frequent office interactions as well as remote interactions. She also reviews Kevin's activities through a client relationship management system.

**Karin Lopez's contact information:**

Phone: 518-452-3805

EMAIL: klopez@aristawa.com

**Disciplinary Action:** None