



**VESTIA**<sup>TM</sup>  
Personal Wealth Advisors

## **FORM ADV PART 2A FIRM BROCHURE**

JULY 2019

**VESTIA**  
**PERSONAL WEALTH ADVISORS**  
SEC REGISTERED  
INVESTMENT ADVISOR  
CRD # 290565

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This brochure provides information about the qualifications and business practices of Vestia Advisors, LLC. Please contact our Chief Compliance Officer at 971-371-3450 or email [compliance@vestia.com](mailto:compliance@vestia.com) if you have any questions about the content of this brochure.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or any state securities administrator. Additional information about Vestia Advisors, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Click on the "Investment Adviser Search" link and then search for "Investment Adviser Firm" using the firm's IARD ("CRD") number, which is 290565.

While the firm and its associates may be registered and/or licensed within a particular jurisdiction, that registration and/or licensing in itself does not imply an endorsement by any regulatory authority, nor does it imply a certain level of skill or training on the part of the firm or its associated personnel.

## Item 2 – Material Changes

The firm amended its Form ADV Part 2A to update current Assets Under Management (AUM), fee updates, new service offerings, and to provide additional disclosures relating to outside business activities of the Firm.

The Sub-section titled "PRIVATE EQUITY" of ITEM 10 has been updated as follows: Vestia Holdings, LLC and or one or more of its principals and or affiliates has acquired ownership in the private placements Bundle Network, Ltd., Spiff AG, VidAngel Inc., Richman Energy, Inc./Zona Energy, Inc., LOUD Capital, LLC, MiRus, LLC, Vestia Ventures MiRus Investment, LLC, and Larson Capital Funds I-IV. Specific to LOUD Capital, LLC, Vestia Ventures, LLC, an affiliate of the Firm may receive carry-forward interest as a minority interest holding Member of the General Partnership of this entity. Specific to Vestia Ventures MiRus Investment, LLC, Vestia MiRus QP Investment, LLC, and Vestia MiRus New Opportunity, LLC - Vestia Ventures, LLC, an affiliate of the firm, is the Managing Member of these private special purpose investment vehicles established to invest in debt and or equity of MiRus, LLC.

The sub-section titled "VESTIA COLLABORATE" of ITEM 5 has been updated as follows:

The cost for Vestia Collaborate is determined in advance of services being provided and currently ranges between \$1,000 to \$5,000 per quarter depending on the complexity of the client's situation and the scope of services provided, among other factors. The fee is paid to our firm in advance, and is due within the first 10 calendar days of each quarter. Please note that this service does not cover the additional work required for our Vestia Disciplined Wealth Management platform. **Clients opting to not use the Vestia Disciplined Wealth Management platform will be charged an extra 50% for Vestia Collaborate services which will be in addition to the fee range listed above.**

The sub-section titled "VESTIA EMERGING WEALTH MANAGEMENT" of Item 5 has been added as a new service offering.

United Capital/Goldman Sachs has been added as a sub-manager in Item 4.

Vestia Advisors, LLC may at any time update this document. We will ensure that you receive a summary of material changes, if any, to this and subsequent disclosure brochures within 120 days after our fiscal year end. Our fiscal year ends on December 31st, so you will receive the summary of material changes, if any, no later than April 30th each year. At that time, we will also offer a copy of the most



current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

Clients are also able to download this brochure from the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), may download it from our website at [www.vestiaadvisors.com](http://www.vestiaadvisors.com), or may contact our firm at 877-669-1126 to request a copy at any time.

As with all firm documents, clients and prospective clients are encouraged to review this brochure in its entirety and are encouraged to ask questions at any time prior to or throughout the engagement.



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### IMPORTANT INFORMATION

Throughout this document, Vestia Advisors, LLC may also be referred to as “the Firm,” “Firm,” “the firm,” “firm,” “our,” “we” or “us.” The client or prospective client may be referred to as “you,” “your,” etc., and refers to a client engagement involving a single person as well as two or more persons, including legal entities. In addition, the term “advisor” and “adviser” are used interchangeably where accuracy in identification is necessary (i.e., internet address, etc.).

Our firm maintains a business continuity plan that is integrated within the organization to ensure it appropriately responds to events that pose significant disruption to its operations. A statement concerning the current plan is available under separate cover.



# Item 4 – Advisory Business

## DESCRIPTION OF THE FIRM

Vestia Advisors, LLC is an Indiana domiciled limited liability company formed in 2017. We frequently operate under the trade names Vestia Personal Wealth Advisors and Vestia Retirement Plan Consultants. For the purpose of this brochure, we utilize Vestia Personal Wealth Advisors.

Our advisory firm is a subsidiary of Vestia Holdings, LLC; shares of which are owned by MD Advisory Services, LLC, CDH Financial, LLC, Parker Advisory Services, LLC, Sahwa Advisory Services, LLC, and Abnormal Consulting, LLC, as well as other minority shareholders. Vestia Advisors, LLC does not control another financial industry entity, but our firm is under common control with an insurance agency as noted in Item 10 of this brochure.

Vestia Personal Wealth Advisors' registration as an investment advisor with United States Securities and Exchange Commission (SEC) occurred during December of 2017. Our firm and its associates may notice-file (register) and/or become licensed, or meet certain exemptions to registration and/or licensing within other jurisdictions where investment advisory business may be conducted.

As of June 15, 2019, the Firm manages approximately \$323,830,342 in discretionary assets under management for 497 clients.

## DESCRIPTION OF SERVICES OFFERED

Vestia Personal Wealth Advisors provides customized planning and portfolio management services, in addition to educational workshops involving a range of planning and investing topics. Our firm is also available for consultation with retirement plan sponsors, and such details are found in a separate brochure that is made available to interested parties on request. It should be noted that we do not sponsor or serve as portfolio manager involving investment programs using wrapped (bundled) fees.

Prior to engaging us for services, each client will be provided with this Form ADV Part 2A firm brochure that includes a statement involving our privacy policy (Item 11), in addition to a brochure supplement about the representative(s) who will be assisting them. Our services are noted in the following paragraphs of this section ("item"), and their associated fees are stated in Item 5. Our firm will ensure that any material conflicts of interest have been disclosed that could be reasonably expected to impair the rendering of unbiased and objective advice, such as information found in Items 10 through 12 of this brochure.



If the client wishes to engage our firm for its services, they must first execute an engagement agreement with our firm. Thereafter further discussion and analysis will be conducted to determine financial need, goals, holdings, etc. Depending on the scope of the engagement, clients may be asked to provide the following information or documentation early in the process:

- An unfiltered understanding of your financial challenges and concerns
- Expectations of what you hope to achieve through our work together
- Wills, codicils and trusts
- Insurance policies
- Loan information
- Tax returns
- Divorce decree or separation agreement
- Current financial specifics including W-2s or 1099s
- Information on current retirement plans and benefits provided by an employer
- Statements reflecting current investments in retirement and non-retirement accounts
- Employment contracts or other business agreements
- Completed risk profile questionnaires or other forms provided by our firm

It is important that clients provide us with an adequate level of information and supporting documentation throughout the term of the engagement, including but not limited to: source of funds, income levels, and an account holder or their legal agent's authority to act on behalf of the account, among other information that may be necessary. This helps us determine the appropriateness of our planning strategies and/or investment recommendations. The information and/or financial statements provided by the client need to be accurate. Our firm may, but we are not obligated to, verify the information provided by a client which will then be used in the advisory process.

Our portfolios involve the employment of one of our investment strategies as well as either a broad range or more narrowly focused choice of investment vehicles, both of which are further discussed in Item 8 of this brochure. In accordance with Rule 3a-4 of the Investment Company Act, we allow reasonable account constraints that a client may have for their portfolio. However, investment guidelines are designed to be specific enough to provide future guidance while allowing flexibility to work with changing market conditions. Our firm typically manages accounts on a discretionary basis (defined in Item 16).



# Vestia Service Offerings

## **VESTIA VUE PROCESS**

The Vestia Vue Process allows new or existing clients to work with our personal wealth advisory team to benchmark their current situation against their best options for achieving success. We then collaborate with you to develop a comprehensive Vestia Vue Action Plan that considers a broad range of topics depending on the client's specific needs. The desired outcome of this process is an initial financial and/or investment plan that aligns your priorities, uncovers pain points and problems areas, creates organization, and establishes a baseline implementation strategy to bring together multiple areas of your financial life around common objectives. Our overview includes:

- Setting expectations through the Vue Priority Check process (completed with your advisor(s))
- Auditing your current situation to diagnose your opportunities, resources, gaps, and weaknesses (done behind the scenes for you)
- Testing potential solutions for efficiency and fit with your motivators and values (also done behind the scene)
- Delivering your written Vestia Vue Action Plan designed to coordinate and align all of the above.

The Vestia Vue Process typically takes 1-3 months to complete with timing variances caused primarily by complexity, client responsiveness, and other factors. Concluding the Vestia Vue Process, you will be provided a recommended option for the implementation of your action plan and ongoing services through either the Vestia Complete, Vestia Collaborate, or Vestia On Call ongoing engagement. Concurrently, comprehensive investment management services are available through the Vestia Disciplined Wealth Management platform.

## **VESTIA DISCIPLINED WEALTH MANAGEMENT**

The Vestia Disciplined Wealth Management platform is a discretionary investment management platform where we oversee the comprehensive and often complex intertwine of all your investment accounts. Our process focuses on optimizing the long-term interaction of each of your accounts in order to create greater tax efficiency, improve consistency of risk management, and minimize aggregate costs.

## **VESTIA COMPLETE**

Vestia Complete is an ongoing engagement reserved for a limited number of high-net worth clients with greater than \$2,000,000 in investments under management or incomes greater than \$750,000 per year who desire a personalized experience





designed around their specific needs and desires. The right client for this service is one who can afford to have service delivered the way they want it. Availability of this service may be limited at any given time due to our capacity constraints. Vestia Complete includes ongoing oversight of nearly all your financial life and may include investment oversight services, tax-planning and analysis, estate planning, tax-preparation, risk management planning, negotiation or sourcing of large purchases on your behalf, family consulting, budgeting, planning for specific goals such as education funding, retirement funding, the sale of a business, to other personalized goals.<sup>1</sup> We work with each client to customize an ongoing meeting schedule and a scope of services to be provided. Most importantly, our Vestia Complete clients are entrusting us to do as much of the work as possible without having to take them away from more important priorities.

### **VESTIA COLLABORATE**

Vestia Collaborate is an ongoing engagement reserved for high-net worth and/or high-income clients who desire a pro-active and guided experience. We provide a similar broad range of services as those available through our full-service platform with a less customized experience where a client's time and involvement are required more frequently. We remain proactive to make sure key issues are "on your radar," but you absorb more of the work to complete while our firm is available to collaborate and help as needed. The right client for Vestia Collaborate is one who appreciates the idea of having an advisor who intimately knows their situation looking out for their interests, but does not desire the same customized level of ongoing support as a Vestia Complete client.

### **VESTIA ON CALL**

The Vestia On Call approach is available to clients who meet our firm minimum requirements, primarily prefer to handle ongoing wealth management functions on their own, but want the comfort of knowing their portfolio is being overseen by a team of professionals, desire access to our institutional investment approach through the Vestia Disciplined Wealth Management platform, and want the comfort of knowing they have an advisor available on call. This service is offered to a limited number of clients at any given time to ensure our time is available for Collaborate and Complete clients.

### **VESTIA EMERGING WEALTH MANAGEMENT**

The Vestia Emerging Wealth Management approach is available to clients who want "smart technology" where they can see their investments in one location, participate in automated portfolio management with the advisor's guidance, and track their progress in an intuitive interface. This service is offered to a limited

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<sup>1</sup> Vestia Advisors, LLC does not provide specific legal or tax recommendations. Rather they discuss generalized topics and work with qualified attorneys and accountants for the delivery of legal or tax advice specific to your situation.





number of clients at any given time to ensure our time is available for Collaborate and Complete clients.

### **VESTIA LEGACY CLIENTS**

Some clients have worked with one or more of our advisory team members prior to the advisor joining Vestia. In order to facilitate the smooth transition of relationships to Vestia Advisors, LLC, we have a legacy client platform available on an as-needed basis.

### **USE OF SUB-ADVISOR**

We may choose to engage an institutional investment manager to serve as a sub-advisor for certain portfolios. We evaluate a variety of information about sub-advisors which may include the independent managers' public disclosure documents, materials supplied by the independent managers themselves as well as other third-party analyses we believe to be reputable. Clients are typically required to maintain a minimum account size to be eligible for these services, and certain investment managers require a higher asset-level to invest in their program.

Sub-advisors invest on behalf of accounts in accordance with the strategies set forth in their own disclosure documents which are available to our clients prior to employing their strategies. The sub-advisor typically assumes discretionary authority over an account, and most programs are available for clients who prefer an account to be managed under a nondiscretionary engagement or whom may have other unique account restrictions. At least annually thereafter, a review will be performed by our firm from both a compliance and performance perspective to determine whether the selected investment manager remains an appropriate fit for the client's portfolio.

For certain client assets, Vestia outsources a portion of the investment management to United Capital Financial Advisers, LLC ("United Capital")/Goldman Sachs (who has now acquired United Capital), an investment adviser not affiliated with Vestia, who serves as sub-adviser ("Sub-Manager"). United Capital/Goldman Sachs is granted limited discretionary investment authority over assets that Vestia assigns to United Capital/Goldman Sachs. For the assets directed to Sub-Manager for services, its responsibility includes the authority to:

- exercise discretion to determine the types of securities bought and sold, along with the percentage allocation
- apply its discretion as to when to buy and sell
- apply its discretion as to the timing of transactions
- select the broker-dealer for execution of securities transactions, if appropriate, and



- take other portfolio management actions Vestia delegates or deems appropriate
- deduct Sub-Adviser fees directly from the custodian account, for which the Sub- Manager is managing assets

Any authority of United Capital/Goldman Sachs only applies to the specific assets, within the Client's custodial account, for which United Capital/Goldman Sachs has been appointed as the discretionary manager. United Capital/Goldman Sachs shall not provide investment advice, or have any advisory responsibility to the Client, beyond the assets for which it is appointed as Sub-Manager. The terms of services provided by United Capital/Goldman Sachs are directed in accordance with a separate written agreement entered into between the Vestia and United Capital/Goldman Sachs. United Capital/Goldman Sachs also provides separate non-fiduciary services to Vestia under its division FinLife Partners, as described below.

Vestia has a financial incentive to refer Clients to United Capital/Goldman Sachs rather than manage the assets on its own or refer them to another adviser, creating a conflict of interest. When Vestia refers clients to United Capital/Goldman Sachs for Sub-Manager services it receives an incentive. Certain technology fees incurred by Vestia in connection with Vestia's use of FinLife Partners' technology solutions will be reduced if a predetermined number of Vestia's clients utilize United Capital/Goldman Sach's Sub-Manager services.

To address this conflict, Vestia has several investment management options available that do not utilize United Capital/Goldman Sachs as a sub-manager of client assets.

#### **EDUCATIONAL WORKSHOPS**

We provide periodic educational seminar sessions for attendees desiring information on personal finance and investing. Topics may include issues related to general financial planning, educational funding, estate planning, retirement strategies, implications involving changes in marital status, and various other current economic or investment topics. Our workshops are educational in nature and do not involve the solicitation of insurance or investment products.



# Item 5 - Fees and Compensation

Forms of payment are based on the types of services being provided, term of service, etc., and will be stated in the client's engagement agreement with our firm. Published fees may be negotiable, and we may waive or discount our fees for our associates and their family members. Our firm reserves the right to deviate from its fee schedule should we deem the circumstances appropriate.

## ***Services where checks are accepted***

Fees for the Vestia Vue Process, Vestia On Call hourly services, corporate Complete and Collaborate services are to be paid by check or draft from US-based financial institutions. With your prior authorization, payment may also be made through an unaffiliated PCI compliant<sup>2</sup> third-party processor, automated clearing house (ACH), or withdrawal from an investment account held at your custodian(s) of record.

## ***Services where checks are not accepted***

With your prior authorization, Vestia Complete (with the exception of corporate Complete clients), Vestia Collaborate (with the exception of corporate Collaborate clients), Vestia Disciplined Wealth Management, Vestia Emerging Wealth Management, and Vestia On Call platform access fees are to be paid either via ACH or your account held at the custodian(s) of record, and are noted in statements received by you from the custodian.

## ***We do not accept cash for services***

Our firm does not accept cash, money orders or similar forms of payment for its engagements. We reserve the right to suspend some or all services once an account is deemed past due as defined within the client's wealth management and/or financial planning engagement agreement(s).

## **TYPES OF FEES AND PAYMENT SCHEDULES**

### **VESTIA VUE PROCESS**

A fixed cost is agreed upon in advance of the Vestia Vue Process and typically ranges from \$3,000 to \$20,000 depending on your case complexity and other factors. We require a deposit of one-half the quoted fee to initiate the engagement, and the remainder will be due upon delivery of your plan/advice. For medical residents or dental students this fee is sometimes deferred until graduation.

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<sup>2</sup> For an explanation of the term "PCI," who the PCI Security Standards Council is, as well as its comprehensive standards to enhance payment card data security, please go to [https://www.pcisecuritystandards.org/security\\_standards/index.php](https://www.pcisecuritystandards.org/security_standards/index.php)



## VESTIA DISCIPLINED WEALTH MANAGEMENT PLATFORM

Accounts are assessed an annualized asset-based fee that is paid quarterly, in advance, as indicated in Table 1 below. The fee is calculated by multiplying the quotient by the applicable number of basis points (one basis point equals 1/100 of one percent). The result is then divided by four to determine the quarterly fee. Although we do not have a minimum asset level, we do impose a \$300 minimum fee per quarter for wealth management clients utilizing the Vestia On Call ongoing service model (see below).

*Formula: ((quarter-end market value) x (applicable number of basis points))/4*

**Table 1: Vestia Disciplined Wealth Management Fee Schedule**

Assets Under Management	Annualized Asset-Based Fee
First \$2,000,000	0.50% (50 basis points)
Above \$2,000,000	0.25% (25 basis points)

Our cost is based on a blended tier. For example, an account maintaining \$2.5 million would be assessed 0.50% on the first \$2 million and the remaining \$500,000 would be assessed 0.25%. For the benefit of discounting our asset-based fee, we will aggregate accounts within the same household unless instructed by the client not to do so.

Advisory fees will be determined by the reporting account value as of the last market day of each quarter, and in consonance with the statement you will receive from your custodian(s) of record for the purpose of verifying the computation of our advisory fee. In the rare absence of a reportable market value, our firm may seek a third-party opinion from a recognized industry source (e.g., unaffiliated public accounting firm), and our clients may choose to separately seek such an opinion at their own expense as to the valuation of "hard-to-price" securities if necessary.

The first billing cycle will begin once the client agreement is executed and account assets have settled into the client's separately identifiable account held by the custodian(s) of record or once held-away account management access has been achieved for accounts being managed on a held-away basis. Fees for partial quarters will be prorated based on the remaining days in the reporting period in which the firm services the account. Fee payments will generally be assessed within the first 10 calendar days of each billing cycle.

The client's written authorization is required in order for the custodian(s) of record to deduct our advisory fee from an account. By signing our firm's engagement agreement, as well as the custodian(s) account opening documents, the client will be authorizing the custodian(s) to withdraw our advisory fees from the account. The custodian(s) will remit our advisory fees directly to our firm. Fees deducted



from the account will be noted on statements that the client receives directly from the custodian(s) of record.<sup>3</sup>

#### **VESTIA EMERGING WEALTH MANAGEMENT**

Accounts are assessed an annualized asset-based fee that is paid quarterly, in arrears. The fee is calculated using the client's daily account balance for the prior quarter multiplied by 0.125% (i.e.,  $0.5 \div 4$ ). The platform fee of charged by MTG, LLC dba Betterment Securities ("Betterment"), the platform, is not included in this total.

$$\text{Formula: } ((\text{quarter-end market value}) \times (.5))/4$$

Advisory fees will be determined by the reporting account value as of the last market day of each quarter, and in consonance with the statement you will receive from your custodian(s) of record for the purpose of verifying the computation of our advisory fee.

The platform fee for Betterment is charged separately by Betterment once a quarter generally equal to 0.25% per annum of the client's average daily account balance during the period. Accounts are not charged a fee when they are unfunded. The value of the account for fee calculation purposes will be determined by Betterment in accordance with its normal practices and procedures. You authorize such fees to be deducted directly from your Betterment account. The fee is subject to waiver or reduction by Betterment in its sole discretion and is detailed in the required separate agreement between you and Betterment with the respect to Betterment's services and fees.

The first billing cycle will begin once the client agreement is executed and account assets have settled into the client's separately identifiable account held by the custodian(s) of record.

The client's written authorization is required in order for the custodian(s) of record to deduct our advisory fee from an account. By signing our firm's engagement agreement, as well as the custodian(s) account opening documents, the client will be authorizing the custodian(s) to withdraw our advisory fees from the account. The custodian(s) will remit our advisory fees directly to our firm. Fees deducted from the account will be noted on statements that the client receives directly from the custodian(s) of record.<sup>4</sup>

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<sup>3</sup> Periodic account value variances between the firm's invoice and custodian statement (beyond the firm's control) may occur due to late trade settlement, dividend distribution, etc., requiring adjusted transaction reporting from the custodian of record.

<sup>4</sup> Periodic account value variances between the firm's invoice and custodian statement (beyond the firm's control) may occur due to late trade settlement, dividend distribution, etc., requiring adjusted transaction reporting from the custodian of record.



### VESTIA COMPLETE

The Vestia Complete cost is determined in advance of services being provided, and ranges between \$4,000 to \$25,000 per quarter depending on the complexity of the client's situation, the scope of services provided, the client's expectations of our availability, and other factors. The fee is paid to our firm in advance and is due within the first 10 calendar days of each quarter. Please note that this service does not cover the additional work required for our Vestia Disciplined Wealth Management platform. **Clients opting to not use the Vestia Disciplined Wealth Management platform will be charged an extra 50% for Vestia Complete which will be in addition to the fee range listed above.**

### VESTIA COLLABORATE

The cost for Vestia Collaborate is determined in advance of services being provided and currently ranges between \$1,000 to \$5,000 per quarter depending on the complexity of the client's situation and the scope of services provided, among other factors. The fee is paid to our firm in advance and is due within the first 10 calendar days of each quarter. Please note that this service does not cover the additional work required for our Vestia Disciplined Wealth Management platform. **Clients opting to not use the Vestia Disciplined Wealth Management platform will be charged an extra 50% for Vestia Collaborate services which will be in addition to the fee range listed above.**

### VESTIA ON CALL

The Vestia On Call service cost ranges from \$100-\$500 per hour depending on services needed and the team member providing them. The hourly fee is assessed in 10-minute increments as needed, and a partial increment (e.g., seven minutes) will be treated as a whole increment. For hourly engagements estimated at less than \$1,000, you will not be invoiced until after services have been rendered. For engagements estimated at greater than \$1,000, one-half of the anticipated cost is due at the beginning of the engagement and the remaining amount is due at the completion of the engagement.

### VESTIA LEGACY CLIENTS

Vestia Legacy accounts may be assessed an annualized asset-based fee that will be determined by the reporting period ending value of the client's account. These fees will be billed in advance per Table 2 below, based on a blended tier, and subject to our firm minimum requirements. Please refer to Vestia Disciplined Wealth Management platform for details involving payment mode and methods, as well as billing cycles and formula.

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**Table 2: Legacy Client Assets Under Management Fee Schedule**

<b>Assets Under Management</b>	<b>Fee Assessed On</b>	<b>Annualized Asset-Based Fee</b>
Up to \$500,000	First \$500,000	1.25% (125 basis points)
\$500,000 - \$1,000,000	Next \$500,000	1.00% (100 basis points)
\$1,000,000 - \$2,000,000	Next \$1,000,000	0.90% (90 basis points)
\$2,000,000 - \$5,000,000	Next \$3,000,000	0.50% (50 basis points)
Above \$5,000,000	Above \$5,000,000	0.25% (25 basis points)

Our firm reserves the right to deviate from this fee range should we deem the circumstances appropriate, but our fee will not exceed this schedule. Depending on the scope of services to be provided and other factors, some legacy clients will have an additional cost for Vestia Collaborate or Vestia On Call services.

#### **EDUCATIONAL WORKSHOPS**

While certain seminars may be complimentary, workshop attendees may be assessed a fee up to \$50 per participant. Sessions may be paid by an event sponsor, such as an employer or an association. The workshop fee, if any, will be announced in advance and will be determined by the length of the event, the number and expertise of the presenters involved, and whether or not educational materials are being provided. Payment will be due on or prior to the first day of the scheduled workshop.

#### **ADDITIONAL CLIENT FEES**

Advisory fees paid to our firm by our clients for our services are separate from any internal fees involving mutual funds as outlined in their prospectus, including, but not limited to 12b-1 fees, expense ratios, etc., exchange-traded funds (ETFs), exchange-traded notes (ETNs), or other similar investments.

Any transactional or service fees (sometimes termed brokerage fees), sub-advisor fees, individual retirement account fees, qualified retirement plan fees, account termination fees, or wire transfer fees will be borne by the account holder and per the separate fee schedule of the custodian(s) of record. Additional information about our fees in relationship to our brokerage and operational practices are referenced in Items 12 and 14 of this document.

#### **EXTERNAL COMPENSATION FOR THE SALE OF SECURITIES TO CLIENTS**

Our firm does not charge or receive a commission or a mark-up on securities transactions, nor will the firm or an associate be paid a commission on the purchase of a securities holding that is recommended to a client.





We do not receive “trailer” or SEC Rule 12b-1 fees from an investment company that may be recommended to a client. Fees charged by such issuers are detailed in prospectuses or product descriptions and interested investors are always encouraged to read these documents before investing. Our firm and its associates receive none of these described or similar fees or charges.

When a client purchases an insurance policy (i.e., fixed annuity, life insurance policy, disability insurance policy, property/casualty insurance policy, etc.), a commission is normally paid to both an insurance agency and an insurance agent. Anytime a commission is involved a conflict of interest exists. We have intentionally structured our firm to reduce this conflict of interest by not paying any direct commissions to individuals for insurance business recommended and by requiring that any agent agree to and acknowledge they are not allowed to receive commissions from any insurance provider while affiliated with our firm. Instead of paying commissions to an agent, compensation is paid by the insurance company to our affiliated insurance agency. While the agent is not paid a direct commission, our holding company, insurance agency affiliate, as well as our firm personnel benefit from this arrangement since revenue earned from this business activity may be used to offset operating expenses, provide shareholder distributions, etc. Our advisory firm and its associates take their responsibilities seriously and recommend services we believe appropriate for each client. Please refer to Items 10 and 11 of this firm brochure, in addition to Item 4 of an associate’s brochure supplement for details.

Our clients always have the right to purchase recommended or similar investments or insurance products through a provider of their choice.

#### **ACCOUNT ADDITIONS AND WITHDRAWALS**

Clients may make additions to and withdrawals from their account at any time, subject to available liquidity and the Firm’s right to terminate an account. If assets in excess of \$10,000 are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted to reflect the interim change in portfolio value. For the initial period of an engagement, the fee is calculated on a pro rata basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

#### **TERMINATION OF SERVICES**

Either party may terminate the agreement at any time by communicating their intent to terminate in writing. Our firm will not be responsible for investment allocation, advice or transactional services (except for limited closing transactions) upon receipt of a termination notice. It will also be necessary that we inform the custodian of record that the relationship between parties has been terminated.



If a client did not receive our Form ADV Part 2 firm brochure prior to entering into the firm's agreement, then that client will have the right to terminate the engagement without fee or penalty within five business days after entering into the agreement. If a client terminates an hourly planning service after this five business-day period, the client will be assessed fees at the hourly rate stated in their agreement for any time incurred in the preparation of their analysis or plan. If an educational workshop attendee or sponsor cancels within 24 hours of the first session, fees are normally not subject to a refund due to operational costs borne by our firm, but we will typically credit the fee toward a future educational session presented by our firm. When a fixed fee or asset-based fee client terminates their agreement after the five business-day period, the client will be assessed fees on a per-day prorated basis for services incurred from either (i) as a new client, the date of the engagement to the date of the firm's receipt of the written notice of termination, or (ii) all other accounts, the last billing period to the date of the firm's receipt of written termination notice. Our firm will return any prepaid, unearned fees within 30 days of the firm's receipt of termination notice. Earned fees in excess of a client's deposit will be billed at the time of termination.

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

Our firm's advisory fees will not be based on a share of capital gains or capital appreciation (growth) of any portion of managed funds, also known as performance-based fees. Our fees will also not be based on side-by-side management, which refers to a firm simultaneously managing accounts that do pay performance-based fees (such as a hedge fund) and those that do not.

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

Our firm is available to serve individuals and high net worth individuals, foundations and charitable organizations, businesses of all size, in addition to retirement plans (under separate brochure and agreement). Please refer to Item 4 for information involving services requirements. We reserve the right to decline services to any prospective client for any nondiscriminatory reason.



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

## INVESTMENT STRATEGY

Vestia Personal Wealth Advisors relies on an investment philosophy that is founded on evidence-based academic research, such as Modern Portfolio Theory and the Fama-French Factor Model, and established discoveries in behavioral finance. Modern Portfolio Theory advocates that it is not enough to look at the expected risk and return of one particular asset class. By investing in more than one asset class, an investor may be able to reap the benefits of diversification – most importantly, a reduction in the risk level of the portfolio. The Fama-French Factor Model, through research, found that over long periods of time, value stocks tend to outperform growth stocks, and, similarly, small cap stocks tend to outperform large cap stocks, and equities tend to outperform fixed income securities, among other factors.

The Vestia Disciplined Wealth Management philosophy is based on these basic principles:

- Develop well diversified portfolios that feature a broad range of market sectors and asset classes
- Use market-based investments, not manager-based investments unless it is deemed appropriate for your portfolio to have a portion invested in private equity, private business ownership, or private real estate
- Hold the investments for a long period of time
- Periodically reallocate the investments as conditions warrant
- Strategically rebalance the portfolio as needed to maintain the desired level of risk exposure
- Our process focuses on optimizing the long-term interaction of each of your accounts in order to create greater tax efficiency, improve consistency of risk management, and minimize aggregate costs.

The Vestia Disciplined Wealth Management platform is diversified and invests primarily in no-load mutual funds and ETFs. This approach cannot ensure investment success or prevent loss in a declining market. Past performance is no guarantee of future results.

## METHODS OF ANALYSIS AND INVESTMENT SELECTION

Based on the Vestia Disciplined Wealth Management client agreement that clients execute, Vestia Personal Wealth Advisors is granted discretionary authority to



implement client-approved investment strategies. Investments are selected based on past performance (as applicable), portfolio turnover, fees and a variety of academic statistics including volatility, price movement, risk-adjusted return, etc. These statistics are provided by third-party vendors and the investment sponsors, and are evaluated by our portfolio manager as well as our investment committee, on both an absolute and a relative basis, while relying on standards set by Vestia Personal Wealth Advisors.

## **RISK OF LOSS**

Our firm believes its strategies and investment recommendations are designed to produce the appropriate potential return for the given level of risk; however, there is no guarantee that a planning goal or investment objective will be achieved. Past performance is not necessarily indicative of future results. Investing in securities involves risk of loss that clients should be prepared to bear. While the following list is not exhaustive, we provide some examples of such risk in the following paragraphs, and we believe it is important that our clients review and consider each prior to investing.

### ***Active Investment Management***

A portfolio that employs active management strategies may, at times, outperform or underperform various benchmarks or other strategies. In an effort to meet or surpass these benchmarks, active portfolio management may require more frequent trading or “turnover.” This may result in shorter holding periods, higher transactional costs and/or taxable events generally borne by the client, thereby potentially reducing or negating certain benefits of active asset management. The Firm takes the best interest of the client(s) into consideration when employing an active investment management strategy.

### ***Company Risk***

When investing in securities, such as stocks, there is always a certain level of company or industry-specific risk that is inherent in each company or issuer. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. This is also referred to as unsystematic risk and can be reduced or mitigated through diversification.

### ***Currency Risk***

The risk of loss from fluctuating foreign exchange rates when a portfolio has exposure to foreign currency or in foreign currency traded investments is known as currency risk.



### **Equity (Stock) Risk**

Common stocks are susceptible to general stock market fluctuations and to volatile increases or decreases in value as market confidence in and perceptions of their issuers change. If an investor held common stock or common stock equivalents of any given issuer, they may be exposed to greater risk than if they held preferred stocks and debt obligations of the issuer.

Preferred stocks can be affected by interest rate and liquidity risks (described in adjacent paragraphs). Also note that their dividend payment is not guaranteed; some are subject to a call provision, meaning the issuer can redeem its preferred shares on demand, and usually when interest rates have fallen.

### **ETF/ETN and Mutual Funds**

The risk of owning ETFs/ETNs and mutual funds reflect their underlying securities (e.g., stocks, bonds, derivatives, etc.). These forms of securities typically carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees. Certain ETFs and indexed funds have the potential to be affected by "active risk;" a deviation from its stated index (e.g., S&P 500).

While many ETFs/ETNs and index mutual funds are known for their potential tax-efficiency and higher "qualified dividend income" (QDI) percentages, there are asset classes within these investment vehicles or holding periods within that may not benefit. Shorter holding periods, as well as commodities and currencies (that may be a holding within an ETF/ETN or mutual fund), may be considered "non-qualified" under certain tax code provisions. A holding's QDI will be considered when tax-efficiency is an important aspect of the client's portfolio.

Leveraged and/or inverse ETFs attempt to achieve multiples of the performance of an index or benchmark through the opposite (inverse) of the performance of the tracked index or benchmark. This strategy attempts to profit from, or hedge exposures to, downward drifting markets. There is risk involving this strategy and part of the concern is based on the fact that leveraged and inverse exchange traded funds "reset" daily, which means they are designed to achieve their stated objectives on a daily basis. It is due to the compounding effect of daily adjustments that ETF performance over longer periods of time can differ significantly from the performance (or inverse of the performance) of an underlying index or benchmark during the same period. This effect can be magnified during volatile markets. If effects contrary to the ETF strategy occur, losses may be significant;



therefore, leveraged and/or inverse ETFs will be considered for portfolios either properly hedged or for clients able to sustain potentially higher risks. Leveraged and inverse ETFs will not be used in portfolios where a "buy-and-hold" philosophy is important.

### **Failure to Implement**

Our planning clients are free to accept or reject any or all of the recommendations made to them. While no advisory firm can guarantee future performance, no plan can succeed if it is not implemented. Clients who choose not to take the steps recommended in their plan may face an increased risk that their stated goals and objectives will not be achieved.

### **Financial Risk**

Excessive borrowing to finance a business operation increases profitability risk 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.

### **Fixed Income Risks**

Various forms of fixed income instruments, such as bonds, money market or bond funds may be affected by various forms of risk, including:

#### *Credit Risk*

The potential risk that an issuer would be unable to pay scheduled interest or repay principal at maturity, sometimes referred to as "default risk." Credit risk may also occur when an issuer's ability to make payments of principal and interest when due is interrupted. This may result in a negative impact on all forms of debt instruments, as well as funds or ETF share values that hold these issues. Bondholders are creditors of an issuer and have priority to assets before equity holders (i.e., stockholders) when receiving a payout from liquidation or restructuring. When defaults occur due to bankruptcy, the type of bond held will determine seniority of payment.

#### *Interest Rate Risk*

The risk that the value of the fixed income holding will decrease because of an increase in interest rates.

#### *Reinvestment Risk*

With declining interest rates, investors may have to reinvest interest income or principal at a lower rate.





### **Fundamental Analysis**

The challenge involving fundamental analyses is that information obtained may be incorrect; the analysis may not provide an accurate estimate of earnings, which may be the basis for a security's value.

If a security's price adjusts rapidly to new information, a fundamental analysis may result in unfavorable performance.

### **Inflation Risk**

Also called purchasing power risk, is the chance that the cash flows from an investment won't be worth as much in the future because of changes in purchasing power due to inflation.

### **Liquidity Risk**

The inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. While certain types of fixed income are generally liquid (i.e., bonds), there are risks which may occur such as when an issue trading in any given period does not readily support buys and sells at an efficient price. Conversely, when trading volume is high, there is also a risk of not being able to purchase a particular issue at the desired price.

### **Market Risk**

This is also called systemic risk. In cases where markets are under extreme duress, many securities lose their ability to provide diversification benefits.

### **Master Limited Partnerships**

Investing in MLPs involve certain risks related to investing in their underlying assets, as well as the risks associated with pooled investment vehicles (certain pooled investments may be less regulated than others). In addition, MLPs that concentrate in a particular industry or a particular geographic region are subject to risks associated with the specific industry or region. A potential benefit derived from a MLP is also dependent on the holding being treated as a partnership for federal income tax purposes; if part or all of the MLP is not, it may have potential adverse tax effects on a portfolio.

### **Options**

Risks involving options trading are detailed in the Chicago Board Options Exchange's "The Characteristics and Risks of Standardized Options" brochure that we will provide to you upon request or may be found at their website at: <http://www.cboe.com>. We have provided general considerations involving options in the following statements.





#### *Option Buyer's Risks*

- The risk of losing the entire investment in a relatively short period of time
- The risk of losing the entire investment increases as an option goes out of the money and as expiration nears
- European style options that do not have secondary markets in which to sell options prior to expiration only realize their value upon expiration
- Specific exercise provisions of a specific option contract may create enhanced risk
- Regulatory agencies may impose exercise restrictions, which may deter the investor from realizing value

#### *Option Seller's Risks*

- Options sold may be exercised at any time before expiration
- Covered call traders forgo the right to profit when the underlying stock rises above the strike price of the call options sold and continues to risk a loss due to a decline in the underlying stock
- Writers of "naked call write" risk unlimited losses if the underlying stock rises; the writer of "naked put write" risk unlimited losses if the underlying stock drops. The writer of naked positions run margin risks if the position goes into significant losses which may include liquidation by the broker/dealer of record. In addition, the writer of a "naked call write" is obligated to deliver shares of the underlying stock if those call options are exercised. Our firm does not execute uncovered ("naked") options strategies.
- Writers of call options can lose more money than a short seller of that stock on the same rise on that underlying stock due to leveraging used in option strategies
- Call options can be exercised outside of market hours such that effective remedy actions cannot be performed by the writer of those options
- Writers of stock options are obligated under the options that they sold even if a trading market is not available or that they are unable to perform a closing transaction
- The value of the underlying stock may unexpectedly surge or drop which may lead to an automatic exercise
- Passive Investing
- A portfolio that employs a passive, efficient markets approach has the risk of generating lower-than-expected returns due to its broad diversification when compared to a portfolio more narrowly focused.



### **Political Risk**

The risk of financial and market loss because of political decisions or disruptions in a particular country or region, and may also be known as "geopolitical risk."

### **Tax Harvesting Risk**

One trading strategy employed in client accounts is tax harvesting. The intent of this trade is to sell an asset at a taxable loss and replace that position with a holding whose historical performance and expected future performance are similar, thereby having little impact on the overall strategic allocation, but capturing the tax loss. Because past performance is no indication of future performance, there is potential for the future performance of the replacement position to deviate from that of the initial holding. This type of strategy may also incur an increase in the frequency of trading and amount of transaction costs.

### **Private Placements**

Private placements (aka. private investment funds) are unregistered securities and generally involve various risk factors, including, but not limited to: potential for complete loss of principal, liquidity constraints and lack of transparency. A discussion of these risks is stated in each private placement offering document, which will be provided in advance to the client for review and consideration. Unlike liquid investments, private investment funds do not provide daily liquidity or pricing. In the event that the firm references private investment funds owned by the client in any supplemental reports prepared by the firm, the values for private investment funds will reflect either the initial purchase and/or the most recent valuation provided by the private fund sponsor. If the valuation reflects the initial purchase price (and/or a value as of a previous date), the current value, to the extent ascertainable, could be significantly more or less than the original purchase price.

Associates of Vestia Advisors, LLC provide investment advice regarding private placements which may or may not include any of the foregoing private placements. The firm and its principals or affiliates do not solicit purchases of shares it/they may directly own (e.g., selling out of its "inventory"). The Firm's role relative to private placements is limited to initial and ongoing due diligence and investment monitoring. To reduce conflicts of interest, if a qualified client decides to purchase a private placement owned directly by the firm or any of its principals or affiliates, the amount of assets invested in the private investment fund will be excluded as part of their assets under management by our firm for purposes of calculating our investment advisory fee.



If a qualified client decides to purchase a private placement not owned by the firm or any of its principals, the private placement will typically be included as part of their assets under management by our firm for purposes of calculating our investment advisory fee. Clients are under absolutely no obligation to consider or make an investment in any private placement we recommend for thoughtful consideration.

#### **Real Estate Investment Trusts**

Risks involved in REIT investing may include (i) following the sale or distribution of assets an investor may receive less than their principal invested, (ii) a lack of a public market in certain issues, (iii) limited liquidity and transferability, (iv) fluctuations involving the value of the assets within the REIT, (v) a reliance on the investment manager to select and manage assets, (vi) changes in interest rates, laws, operating expenses, and insurance costs, (vii) tenant turnover, and (viii) the impact of current market conditions.

#### **Research Data**

When research and analyses are based on commercially available software, rating services, general market and financial information, or due diligence reviews, a firm is relying on the accuracy and validity of the information or capabilities provided by selected vendors, rating services, market data, and the issuers themselves. While our firm makes every effort to determine the accuracy of the information received, we cannot predict the outcome of events or actions taken or not taken, or the validity of all information researched or provided which may or may not affect the advice on or investment management of an account.

#### **Technical Analysis**

The risk of investing based on technical analyses is that it may not consistently predict a future price movement; the current price of a security may reflect all known information. This may occur due to analyst bias or misinterpretation, a sector analysis error, late recognition of a trend, etc.

## **Item 9 - Disciplinary Information**

Neither the firm nor its management has been involved in a material criminal or civil action in a domestic, foreign or military jurisdiction, an administrative enforcement action, or self-regulatory organization proceeding that would reflect poorly upon our offering advisory business or its integrity.



# Item 10 - Other Financial Industry Activities and Affiliations

Firm policies require associated persons to conduct business activities in a manner that avoids conflicts of interest between the firm and its clients, or that may be contrary to law. Our firm will provide disclosure to each client prior to and throughout the term of an engagement regarding any conflicts of interest involving its business relationships that might reasonably compromise its impartiality or independence.

## **NOT A FINRA OR NFA REGISTERED FIRM**

Our firm and its management are not registered nor have an application pending to register as a Financial Industry Regulatory Authority (FINRA) or National Futures Association (NFA) member firm or associated person of such a firm. We are not required to be registered with such entities, nor do they supervise our firm, its activities or our associates. Neither the firm nor its management is or currently has a material relationship with any of the following types of entities:

- accounting firm or accountant
- bank, credit union or thrift institution, or their separately identifiable departments or divisions
- lawyer or law firm
- pension consultant (other than our own services)
- real estate broker, dealer or advisor
- trust company
- investment company security that includes a mutual fund, closed-end investment company, or unit investment trust

## **SUB ADVISOR COMPENSATION**

The sub-advisors that we recommend to our clients are required to be registered as an investment advisor. There is the potential for clients' fees assessed via these engagements to be higher than had a client obtained them directly from the sub-advisor or the client were able to purchase similar underlying investments on their own. Clients are encouraged to review all of our offerings and their stated fees, and each client has the right to purchase recommended or similar investments through their own provider. It should be noted that often sub-advisor and/or underlying investments may not be available to self-directed investors or at the same cost.

For our clients' accounts that Betterment Securities maintains, Betterment Securities does not charge you separately for custody/brokerage services, but is



compensated as part of the Betterment for Advisors (defined below) platform fee, which is charged for a suite of platform services, including custody, brokerage, and sub-advisory services provided by Betterment and access to the Betterment for Advisors platform. The platform fee is an asset-based fee charged as a percentage of assets in your Betterment account. Clients utilizing the Betterment for Advisors platform may pay a higher aggregate fee than if the investment management, brokerage and other platform services are purchased separately.

## **INSURANCE AGENCY**

Associates of the firm may also be licensed insurance agents that are appointed with various unaffiliated insurance carriers via our affiliated insurance agency, Vestia Insurance, LLC doing business as Vestia Insurance Services and Vestia Benefit Solutions. Vestia Personal Wealth Advisors does not receive a referral fee from our insurance agency. Whether they are serving a client in one or more capacities, the associate will disclose in advance how they are compensated and if there is a conflict of interest involving any advice or service they provide. At no time will there be tying between business practices and/or services; a condition where a client or prospective client would be required to accept one product or service which is conditional upon the selection of a second, distinctive tied product or service. Clients are never obligated to or required to purchase products from our affiliated insurance agency and may choose any independent insurance agent and insurance company to purchase insurance products.

## **PRIVATE EQUITY**

Vestia Holdings, LLC and or one or more of its principals and or affiliates has acquired ownership in the private placements Bundle Network, Ltd., Spiff AG, VidAngel Inc., Richman Energy, Inc./Zona Energy, Inc. LOUD Capital, LLC, MiRus, LLC, Vestia Ventures MiRus Investment, LLC, Vestia MiRus QP Investment, LLC, Vestia MiRus New Opportunity, LLC, and Larson Capital Funds I-IV. Specific to LOUD Capital, LLC, Vestia Ventures, LLC, an affiliate of the Firm may receive carry-forward interest as a minority interest holding Member of the General Partnership of this entity. Specific to Vestia Ventures MiRus Investment, LLC, Vestia MiRus QP Investment, LLC, and Vestia MiRus New Opportunity, LLC - Vestia Ventures, LLC, an affiliate of the firm, is the Managing Member of these private special purpose investment vehicles established to invest in debt and/or equity of MiRus, LLC.

Associates of Vestia Advisors, LLC provide investment advice regarding private placements which may or may not include any of the foregoing private placements. The firm and its principals or affiliates do not solicit purchases of shares it/they may directly own (e.g., selling out of its "inventory"). The Firm's role relative to private placements is limited to initial and ongoing due diligence and investment monitoring. To reduce conflicts of interest, if a qualified client decides to purchase a private placement owned directly by the firm or any of its principals



or affiliates, the amount of assets invested in the private investment fund will be excluded as part of their assets under management by our firm for purposes of calculating our investment advisory fee.

If a qualified client decides to purchase a private placement not owned by the firm or any of its principals, the private placement will typically be included as part of their assets under management by our firm for purposes of calculating our investment advisory fee. Clients are under absolutely no obligation to consider or make an investment in any private placement we recommend for thoughtful consideration.

### PERFORMANCE REPORTING TECHNOLOGY

Vestia Advisors, LLC has contracted Advent Software, LLC, acting through its Black Diamond Performance Reporting division, ("Black Diamond") in order to utilize its technology platforms to support data reconciliation, performance reporting, fee calculation and billing, research, client database maintenance, quarterly performance evaluations, payable reports, web site administration, models, trading platforms, portfolio rebalancing and risk monitoring, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement Black Diamond will have access to client accounts, but Black Diamond will not serve as an investment advisor to Vestia Personal Wealth Advisors client. Vestia Personal Wealth Advisors and Black Diamond are non-affiliated companies.

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

### FIDUCIARY ROLE

**Our firm is a *fiduciary*,** which means the firm and its associates will act in good faith, performing in a manner believed to be in the best interests of its clients. Our firm believes that business methodologies, ethics rules, and adopted policies are designed to eliminate or at least minimize material conflicts of interest and to appropriately manage any material conflicts of interest that may remain.

No set of rules can anticipate or relieve all material conflicts of interest; however, we will disclose to our clients any material conflict of interest relating to the firm, its representatives, or any of its employees which could reasonably be expected to impair the rendering of unbiased and objective advice.





## **CODE OF ETHICS**

We have adopted a Code of Ethics that establishes policies for ethical conduct for our personnel. Our firm accepts the obligation not only to comply with all applicable laws and regulations but also to act in an ethical and professionally responsible manner in all professional services and activities. Firm policies include prohibitions against insider trading, the circulation of industry rumors, and certain political contributions, among others. We periodically review and amend our Code of Ethics to ensure that it remains current, and we require firm personnel to annually attest to their understanding of and adherence to the firm's Code of Ethics. A copy of the firm's Code of Ethics is made available to any client or prospective client upon request.

## **CFP® PRINCIPLES**

Firm associates that are Certified Financial Planner™ Practitioners also adhere to the Certified Financial Planner Board of Standards, Inc.'s Code of Ethics & Professional Responsibility which are find at [www.cfp.net](http://www.cfp.net).

## **STATEMENT REGARDING OUR PRIVACY POLICY**

We respect the privacy of all clients and prospective clients (collectively termed "clients"), both past and present. It is recognized that our clients have entrusted our firm with non-public personal information and it is important that both access persons and customers are aware of firm policy concerning what may be done with that information.

The firm collects personal information about customers from the following sources:

- Information customers provide to complete their financial plan or investment recommendation;
- Information customers provide in engagement agreements and other documents completed in connection with the opening and maintenance of an account;
- Information customers provide verbally; and
- Information received from service providers, such as custodians, about customers' transactions.

The firm does not disclose non-public personal information about our customers to anyone, except in the following circumstances:

- From one of our affiliated companies to another;
- When required to provide services our customers have requested;
- When our customers have specifically authorized us to do so;
- When required during the course of a firm assessment (i.e., independent audit); or
- When permitted or required by law (i.e., periodic regulatory examination).





Within the firm, access to customer information is restricted to personnel that need to know that information. All access persons and service providers understand that everything handled in firm offices is confidential and they are instructed not to discuss customer information with someone else that may request information about an account unless they are specifically authorized in writing by the customer to do so. This includes providing information to family members about another household member's account.

To ensure security and confidentiality, the firm maintains physical, electronic, and procedural safeguards to protect the privacy of customer information.

Our firm will provide its customers with its privacy policy, in advance, if firm privacy policies are expected to change.

#### **FIRM RECOMMENDATIONS AND CONFLICTS OF INTEREST**

An associate is prohibited from borrowing from or lending to a client unless the client is an institutional lender.

Neither the firm nor an associate is authorized to recommend to a client, or effect a transaction for a client, involving any security in which the firm or a "related person" (e.g., associate, an immediate family member, etc.) has a material financial interest, such as in the capacity as a board member, underwriter or advisor to an issuer of securities, etc., without the Chief Compliance Officer's prior approval. Our firm and its related persons may buy or sell securities that are the same as, similar to, or different from, those recommended to clients for their accounts, and this poses a conflict of interest. We mitigate this conflict by ensuring that we have policies and procedures in place to ensure that the firm or a related person will not receive preferential treatment over a client. In an effort to reduce or eliminate certain conflicts of interest involving personal trading (i.e., trading ahead of client recommendations, etc.), firm policy may require that we periodically restrict or prohibit related parties' transactions. Any exceptions must be approved in writing by our Chief Compliance Officer, and personal trading accounts are reviewed on a quarterly or more frequent basis.

Under certain conditions that have been established by the United States Department of Labor ("DOL"), Vestia Advisors, LLC is considered a "DOL fiduciary" to certain clients. As a DOL fiduciary, our firm must adhere to specific standards relating to the investment advice and recommendations we provide. These standards may act to limit the investment advice and recommendations we can give to clients, and may require that we provide certain additional disclosures not already contained in this Form ADV Part 2A. As a DOL fiduciary, we also incur additional liability above and beyond that we currently operate under as it relates to the investment advice and recommendations we provide. Status as a DOL fiduciary is governed by federal law and DOL regulations.



Such fiduciary status is triggered when we provide investment advice or other investment recommendations to a client who is a "retirement investor." Retirement investors primarily consist of those individuals or organizations who are (i) participants or beneficiaries of a retirement plan that is subject to Title I of the Employee Retirement Income Security Act of 1974 (ERISA), as amended, and who possess the authority to direct the investment of assets in his or her plan account or to take a distribution; or (ii) the beneficial owner of an individual retirement account (IRA) acting on behalf of the IRA. Not every client will trigger this DOL fiduciary status, as this status is based on the source of investment funds previously listed. In the event that our firm qualifies as a DOL fiduciary, the following standards and warranties apply, in addition to others noted in this Item:

- We will provide investment advice that is, at the time of the recommendation, in the client's best interest.
- As used herein, recommendations are made in the client's "best interest" when the advice or recommendations our firm makes reflect the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, based on the client's investment objectives, risk tolerance, financial circumstances, and needs. Investment advice or recommendations will also be made without regard to our firm's financial interests or those of our advisors, related entities or other parties.
- Any recommended transactions will not cause us or any related entities to receive, directly or indirectly, compensation for services that is in excess of reasonable compensation.
- As used herein, the DOL defines "reasonable compensation" to mean that any compensation that is reasonably expected to be received for investment recommendations must be reasonable in relation to the value of the specific services provided to a Retirement Investors and not in excess of the services' fair market value.
- Any statements made by our firm about any recommended transaction, fees and compensation, material conflicts of interest, and any other matters relevant to your investment decisions, will not be materially misleading at the time they are made.

In addition to the standards listed above, as a DOL fiduciary we may also be required to provide you additional information or disclosures regarding the fees we charge for our services. Such additional information will disclose to you if we offer any proprietary products (which are products that are managed, issued, or sponsored by us) or if we receive any payment from a third party for recommending a specific investment service. Our firm does not offer, nor limit, its investment services to proprietary products. Regarding third-party payments, we



receive economic benefit from our custodians in the form of the support products and services they make available to us and other independent investment advisors. Additional information regarding such economic benefits is noted in Item 12 of this brochure, and information relating to our fees and compensation for our services can be found in Item 5.

Our firm is able to provide a range of advisory services to our clients. Due to our firm and/or associates' ability to offer two or more services and receive a fee, a conflict of interest exists due to the extended services provided. We note that our clients are under no obligation to act on our recommendations and, if they elect to do so, they are under no obligation to complete all of them through our firm or a recommended service provider.

Additional discussion concerning the Firm's ability to provide advice related to Private Equity where the Firm, its Principals, and or Affiliated Entities may have a real or perceived conflict of interest is provided in ITEM 10.

Discussion concerning when Vestia refers clients to United Capital/Goldman Sachs for Sub-Manager services it receives an incentive which may have a real or perceived conflict of interest is provided in Item 4.

## Item 12 - Brokerage Practices

### **FACTORS USED TO SELECT BROKER/DEALERS FOR CLIENT TRANSACTIONS**

Vestia Personal Wealth Advisors does not maintain physical custody of client assets. Accounts are to be maintained by a qualified custodian (generally a broker/dealer, national bank or its trust company) that is frequently reviewed for its capabilities to serve in that capacity by their respective industry regulatory authority. Our firm is not a qualified custodian, there is not an affiliate that is a qualified custodian, nor does a custodian supervise our firm, its activities or our associates. We do not receive referrals from a custodian, nor are client referrals a factor in our recommendation of a custodian.

We have entered into agreements with Charles Schwab & Co., Inc., Fidelity Brokerage Services LLC, TD Ameritrade, Inc., and Betterment Securities to serve as custodians for our clients' accounts. All four custodians and/or their affiliates are FINRA and SIPC members,<sup>5</sup> and SEC-registered broker/dealers. While we recommend that our clients use a particular custodian, the client must decide whether to do so, and will open the account by entering into an account agreement

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<sup>5</sup> Our advisory firm is not, nor required to be, a Securities Investor Protection Corporation (SIPC) member. Clients may learn more about the SIPC and how it serves member firms and the investing public by going to their website at <http://www.sipc.org>.



directly with that custodian. We do not technically open the account for our clients, but we assist them in doing so. If a client does not wish to place assets with one of the noted custodians, we may be able to manage the account at the client's preferred custodian depending on that custodian's policies.

We seek to use custodians who will hold client assets and execute transactions on terms that are overall advantageous when compared to other available providers and their services. Our firm considers 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 an 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, 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; and
- availability of other products and services that benefit us, as discussed below.

When an account is maintained at one of our custodians, the client is typically not charged separately for custody services and the custodian is compensated by charging a commission or other fees on trades that they execute or that settle into an account at that custodian. Custodians' commission rates applicable to our client accounts were negotiated based on our commitment to maintain a certain amount of clients' assets in accounts held at that custodian. This commitment benefits our clients because overall commission rates are lower than they would be if we had not made the commitment. Our custodians provide our firm and its clients with access to its institutional brokerage - trading, custody, reporting and related services - many of which are not typically available to "retail customers." Our custodians also make available various support services. Some of these services help us manage or administer our clients' accounts, while others help us manage and grow our business. These support services are generally available to us on an unsolicited basis (we don't have to request them) and at no charge to us as long as we keep a certain level of our clients' assets in accounts at that custodian. If we have less than the desired amount of client assets or trade revenue at a custodian,



they may charge us quarterly service fees that we pay from our operating account. A custodian's institutional brokerage services typically include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through a custodian include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients.

Our custodians also make available to our firm other products and services that benefit us but may not directly benefit each client's account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both their own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at that particular custodian. In addition to investment research, they also make available software and other technology that:

- provides access to client account data (such as duplicate trade confirmations and account statements);
- facilitates trade execution and allocates aggregated trade orders for multiple client accounts;
- provides pricing and other market data;
- facilitates payment of our fees from our clients' accounts; and
- assists with back-office functions, recordkeeping and client reporting.
- A custodian also offers services intended to help us manage and further develop our business enterprise, such as:
  - educational conferences and events;
  - technology, compliance, legal, and business consulting;
  - transitional support for the movement of client accounts;
  - publications and conferences on practice management and business succession; and
  - access to employee benefits providers, human capital consultants and insurance providers.

A custodian may provide some of these services itself. In other cases, they may arrange for third-party vendors to provide the services to us. A custodian may also discount or waive its fees for some of these services or pay all or a part of a third party's fees, as well as provide firm associates with benefits such as occasional business entertainment. While we do not believe that the previously referenced services are considered "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934, certain jurisdictions in which we operate may believe that they do. The availability of these services benefits our firm because we do not have to produce or purchase them as long as clients maintain assets in accounts at a recommended custodian. There is a conflict of interest since our firm has an incentive to select or recommend a custodian based on our firm's interest in



receiving these benefits rather than the client's interests in receiving favorable trade execution.

It is important to mention that the benefit received by our firm through participation in any custodian's program does not depend on the amount of brokerage transactions directed to that custodian, and our selection of a custodian is primarily supported by the scope, quality, and cost of services provided as a whole, not just those services that benefit only our advisory firm. Further, we will act in the best interest of our clients regardless of the custodian we may select. Our firm conducts periodic assessments of any recommended service provider which generally involves a review of the range and quality of services, reasonableness of fees, among other items, in comparison to industry peers.

### **BEST EXECUTION**

"Best execution" means the most favorable terms for a transaction based on all relevant factors, including those listed in the earlier paragraphs. We recognize our obligation in seeking best execution for our clients; however, it is our belief that the determinative factor is not always the lowest possible cost but whether the selected custodian's transactions represent the best "qualitative execution" while taking into consideration the full range of services provided. Our firm will seek services involving competitive rates, but it may not necessarily correlate into the lowest possible rate for each transaction. We have determined having our portfolio management clients' accounts trades completed through our recommended custodians is consistent with our obligation to seek best execution of client trades. A review is regularly conducted with regard to recommending a custodian to our clients in light of our duty to seek best execution.

Our firm may, in its discretion and following custodian approval, accept a client's transfer of preexisting retail mutual funds into their account. A transfer-in-kind of retail share class mutual funds may potentially benefit the client since they are able to invest in their portfolio more quickly, mitigate tax and/or short-term trading liabilities, and/or avoid contingent deferred sales charges (CDSC). Our firm regularly reviews accounts that have transferred different share classes of mutual funds and will convert share classes to a lower expense share class when we believe doing so would be beneficial to the client.

While our firm has access to a broad range of securities through our custodian, it is a finite number. In addition, not all investment managers (mutual funds), share classes, etc., are represented at each custodian. Due to these normal and customary limitations, not all portfolio holdings will be readily available, least expensive, best performing, etc. It is an unrealistic expectation for an investor to maintain a premise otherwise.





## **DIRECTED BROKERAGE**

Our internal policy and operational relationship with our custodian requires client accounts custodied with them to have trades executed per their order routing requirements. We do not direct which executing broker should be selected for client account trades; whether that is an affiliate of our preferred custodian or another executing broker of our custodian's choice. As a result, the client may pay higher commissions or other transaction costs, experience greater spreads, or receive less favorable net prices on transactions than might otherwise be the case. In addition, since we routinely recommend a custodian to our advisory clients, and that custodian may choose to use the execution services of its broker affiliate for some or all of our client account transactions, there is an inherent conflict of interest involving our recommendation since our advisory firm receives various products or services described above from that custodian. Note that we are not compensated for trade routing/order flow, nor are we paid commissions on such trades. We do not receive interest on an account's cash balance.

Client accounts maintained at our custodian are unable to direct brokerage. As a result, they may pay higher commissions or other transaction costs, potentially experience greater spreads, or receive less favorable net prices on transactions for their account than would otherwise be the case if they had the opportunity to direct brokerage.

For accounts maintained at a custodian of the client's choice (e.g., held-away accounts), the client may choose to request that a particular broker is used to execute some or all account transactions. Under these circumstances, the client will be responsible for negotiating, in advance of each trade, the terms and/or arrangements involving their account with that broker, and whether the selected broker is affiliated with their custodian of record or not. We will not be obligated to seek better execution services or prices from these other brokers, and we will be unable to aggregate transactions for execution via our custodian with other orders for accounts managed by our firm. As a result, the client may pay higher commissions or other transaction costs, potentially experience greater spreads, or receive less favorable net prices on transactions for their account than would otherwise be the case.

## **AGGREGATING SECURITIES TRANSACTIONS**

Trade aggregation involves the purchase or sale of the same security for several clients/accounts at approximately the same time. This may also be termed "blocked" or "batched" orders. Aggregated orders are effected in an attempt to obtain better execution, negotiate favorable transaction rates, or to allocate equitably among multiple client accounts should there be differences in prices, brokerage commissions or other transactional costs that might otherwise be unobtainable through separately placed orders. Our firm may, but is not obligated,





to aggregate orders, and our firm does not receive additional compensation or remuneration as a result of aggregated transactions.

Transaction charges and/or prices may vary due to account size and/or method of receipt. To the extent that the firm determines to aggregate client orders for the purchase or sale of securities, including securities in which a related person may invest, the firm will generally do so in accordance with the parameters set forth in SEC No-Action Letter, SMC Capital, Inc.

Please note that when trade aggregation is not allowed or infeasible and necessitates individual transactions (e.g., withdrawal or liquidation requests, odd-lot trades, non-discretionary accounts, etc.), an account may potentially be assessed higher costs or less favorable prices than those where aggregation has occurred.

We review firm trading processes on a periodic basis to ensure they remain within stated policies and regulation. Our clients will be informed, in advance, should trading practices change at any point in the future.

#### **BETTERMENT FOR ADVISORS' TRADING POLICY**

When using the Betterment for Advisors platform, we and you are subject to the trading policies and procedures established by Betterment. These policies and procedures limit our ability to control, among other things, the timing of the execution of certain trades (including in response to withdrawals, deposits, or asset allocation changes) within your account. You should not expect that trading on Betterment is instant, and, accordingly, you should be aware that Betterment does not permit you or us to control the specific time during a day that securities are bought or sold in your account (i.e., to "time the market"). Betterment describes its trading policies in Betterment LLC's Form ADV Part 2A. As detailed in that document, Betterment generally trades on the same business day as it receives instructions from you or us. However, transactions will be subject to processing delays in certain circumstances. In particular, orders initiated on non-business days and after markets close generally will not transact until the next business day. Betterment also maintains a general approach of not placing securities orders during approximately the first thirty minutes after the opening of any market session. Betterment also generally stops placing orders arising from allocation changes in existing portfolios approximately thirty minutes before the close of any market session. Betterment continues placing orders associated with deposit and withdrawal requests until market close. Betterment maintains a general approach of not placing orders around the time of scheduled Federal Reserve interest rate announcements. Furthermore, Betterment may delay or manage trading in response to market instability. For further information, please consult Betterment LLC's Form ADV Part 2A.



# Item 13 - Review of Accounts

## **SCHEDULED REVIEWS**

Periodic check-ups or reviews are recommended for our ongoing engagement services. Depending on the type of engagement with our firm, they will occur at least annually.

## **INTERIM REVIEWS**

Clients are encouraged to contact our firm for additional reviews when they anticipate or have experienced changes in their financial situation (i.e., changes in employment, an inheritance, the birth of a new child, etc.), or when they prefer to change requirements involving their investment account. Interim reviews are conducted by the client's relationship manager, and a copy of revised plans or asset allocation reports in digital or printed format will be provided to the client upon request.

Additional reviews by our portfolio manager(s) and assigned relationship manager are triggered by news or research related to a specific holding, a change in our view of the investment merits of a holding, or news related to the macroeconomic climate affecting an asset class or holding within that asset class. A portfolio may be reviewed for an additional holding or when an increase in a current position is under consideration. Account cash levels above or below what we deem appropriate for the investment environment, given the client's stated tolerance for risk and investment objectives, may also trigger a review.

## **CLIENT REPORTS AND FREQUENCY**

Whether the client opens and maintains an investment account on their own or with our assistance, the client will receive quarterly or more frequent account statements sent directly from mutual fund companies, transfer agents, custodians or brokerage companies where their investments are held. The custodian is not responsible for verifying the accuracy and/or calculations of fees, so we urge each client to carefully review these account statements for accuracy and clarity no less than quarterly and to notify the Firm of any discrepancies within thirty days after quarter-end, and to ask questions when something is not clear.

Our firm produces its own written performance reports which are calculated using a time-weighted methodology that are reviewed for accuracy by compliance personnel prior to delivery. The reports are intended to inform clients about their investment performance over the current period, as well as over the longer term since the account's inception; both on an absolute basis and as compared to a known benchmark. Our reports are periodically back-tested by compliance staff. We do not back-test or certify reports from an external party. Clients are urged to carefully review and compare account statements that they have received directly



from their custodian of record with any report they may receive from our firm or any other source that contains investment performance information.

## Item 14 - Client Referrals and Other Compensation

Please refer to Items 5, 10 and 12 for information with respect to our offerings and the conflicts of interest they present.

### **EQUITY FOR BOARD MEMBERS**

Vestia Holdings, LLC provides its independent board of directors with equity ownership for service on its board. Accordingly, these independent board directors have financial incentive to refer clients to Vestia Personal Wealth Advisors when it is appropriate to do so.

Upon client request, we provide a referral to various professionals, such as an accountant or an attorney. While these referrals are based on the best information made available, our firm does not guarantee the quality or adequacy of the work provided by these referred professionals. Unless other arrangements are defined as part of our Vestia Complete scope of work, any fees charged by these other entities for their services are completely separate from fees charged by our firm. If we receive or offer an introduction to a client involving these other professionals, we do not pay or earn a referral fee, nor are there established quid pro quo arrangements. Each client retains the right to accept or deny such referral or their subsequent services.

Companies managing securities and other assets (which are used in Vestia Disciplined Wealth Management accounts) for mutual funds, ETFs, etc., such as, but not limited to, Dimensional Fund Advisors LP, The Vanguard Group, Inc. (Vanguard), and BlackRock, Inc. (iShares), may from time to time sponsor or host Vestia Personal Wealth Advisors events such as conferences or seminars. This may include direct payment to vendors or reimbursement of expenses incurred by Vestia Personal Wealth Advisors in connection with hosting educational, training, or other events for Vestia Personal Wealth Advisors clients, employees, or members. Such hosting or sponsorship provides direct or indirect economic benefits to Vestia Personal Wealth Advisors and creates a conflict of interest that could influence Vestia Personal Wealth Advisors to include products or services offered by these sponsoring companies in Vestia Disciplined Wealth Management portfolios.

An associate of the firm may hold individual membership or serve on boards or committees of professional industry associations. Generally, participation in any of these entities require membership fees to be paid, adherence to ethical guidelines,



as well as in meeting experiential and educational requirements. A benefit these entities may provide to the investing public is the availability of online search tools that allow interested parties (prospective clients) to search for individual participants within a selected state or region. These passive websites may provide means for interested persons to contact a participant via electronic mail, telephone number, or other contact information, in order to interview the participating member. The public may also choose to telephone association staff to inquire about an individual within their area, and would receive the same or similar information. A portion of these participant's membership fees may be used so that their name will be listed in some or all of these entities' websites (or other listings). Prospective clients locating our advisory firm or an associate via these methods are not actively marketed by the noted associations. Clients who find our firm in this way do not pay more for their services than clients referred in any other fashion. Our firm does not pay these entities for prospective client referrals, nor is there a fee-sharing arrangement reflective of a solicitor engagement.

## Item 15 – Custody

Vestia Advisors, LLC is not a broker/dealer; we cannot accept or forward client securities (i.e., stock certificates) that are erroneously delivered to our firm.

We do not collect advance fees of \$1,200 or more for services that are to be performed six months or more into the future.

We restrict both the firm and our associates from serving as trustee or having general power of attorney over a client account, unless the account is maintained for a family member (beneficiary trust).

Client assets are to be maintained by an unaffiliated, qualified custodian (see Item 12); assets are not held by our firm or any associate or our firm. The custodian of record will provide the client with investment account transaction confirmations and account statements, which will include debits and credits for each period.

Statements are provided on at least a quarterly basis, and confirmations are provided as transactions occur within an account.

Our advisory firm will not create a custodial account statement for a client nor serve as the sole recipient of a client account statement. Clients are reminded to carefully review and compare their account statements that they have received directly from their custodian of record with any performance report they may receive from any source.



For those clients served via our Vestia Complete or Vestia Collaborate engagements, we may assist with bill payment services via their bank accounts, as well as assisting in third-party payments via accounts maintained at our custodians. In addition, for any discretionary asset management client we may also be asked to conduct portfolio management services for clients' held-away accounts (i.e., other brokerage accounts, 401(k) programs, etc.). In order to provide these services, the client will need to verify any custodial policies, provide our firm with account access information and advisor authorization or a limited power of attorney to provide services for the account; subsequently, such access may allow physical control over those assets. We have instituted a range of internal operational policies and information safeguards which will be monitored by our Chief Compliance Officer, as well as undergo annual surprise inspections by an unaffiliated accounting firm that is in turn subject to review by the Public Company Accounting Oversight Board.

See Item 10 sub-section "Private Equity" for further information related to Affiliated Entities of the Firm serving as Managing Member of Private Special Purpose Investment Vehicles. The Firm's affiliate, Vestia Ventures, LLC, in its role as Managing Member of Vestia Ventures MiRus Investment, LLC, Vestia MiRus QP Investment, LLC, and Vestia MiRus New Opportunity, LLC is considered to have custody. As such, the accounts of Vestia Ventures MiRus Investment, LLC, Vestia MiRus QP Investment, LLC, and Vestia MiRus New Opportunity, LLC are subject to review by an unaffiliated accounting firm that is in turn subject to review by the Public Company Accounting Oversight Board.

See Item 18 for further information related to the Firm's financial position.

## Item 16 - Investment Discretion

We generally provide our portfolio management services on a discretionary basis. Via advisor authority or limited power of attorney, discretionary authority allows our firm to implement investment decisions, such as the purchase or sale of a security on behalf of an account, without requiring the client's prior authorization for each transaction in order to meet stated investment objectives. This authority will be granted by the client through execution of both our engagement agreement and the selected custodian's account opening documents. Note that the custodian will specifically limit our firm's authority within an account to the placement of trade orders and the request for the deduction of our advisory fees, unless the client grants us further control of the account as noted in Item 15.

Our firm prefers to not manage client accounts on a nondiscretionary basis, but we may accommodate such requests on a case-by-case basis. Such account authority requires a client's ongoing prior approval involving the investment and



reinvestment of account assets, including portfolio rebalancing. The client will be required to execute our firm's client services agreement that describes our limited account authority, as well as the custodian of record's account opening document that includes their limited power of attorney form or clause. Please note that in light of the requirement for pre-approval the client must make themselves available and keep our firm updated on their contact information so that instructions can be efficiently affected on their behalf. In addition, nondiscretionary accounts are generally unable to be aggregated (see Item 12), and may therefore be assessed higher trading fees or receive less favorable prices than those accounts where trade aggregation has occurred.

We will account for any reasonable restrictions involving the management of the client's account. It remains the client's responsibility to notify us if there is any change in their situation and/or investment objective so that we may reevaluate previous investment recommendations or portfolio holdings. Our clients retain the right to amend our account authority, in writing.

## Item 17 - Voting Client Securities

Our clients may periodically receive proxies or other similar solicitations sent directly from the custodian of record or transfer agent. If we receive a duplicate copy, note that we do not forward these or any similar correspondence relating to the voting of the client securities, class action litigation, or other corporate actions.

Our firm does not vote proxies on a client's behalf, including those accounts that we have discretionary authority over; nor do we offer specific guidance on how to vote proxies. We will not offer guidance involving any claim or potential claim in any bankruptcy proceeding, class action securities litigation or other litigation or proceeding relating to securities held at any time in a client account, including, without limitation, to file proofs of claim or other documents related to such proceeding, or to investigate, initiate, supervise or monitor class action or other litigation involving client assets. However, we will answer limited questions via a scheduled meeting with respect to what a proxy voting request or other corporate matter may be and how to reach the issuer or its legal representative.

Clients maintain exclusive responsibility for directing the manner in which proxies solicited by issuers of securities that are beneficially owned by them shall be voted, as well as making all other elections relative to mergers, acquisitions, tender offers or other legal matters or events pertaining to your holdings. Account holders should consider contacting the issuer or their own legal counsel involving specific questions they may have with respect to a particular proxy solicitation or corporate action.





## Item 18 - Financial Information

Our firm does not collect advance fees of \$1,200 or more for services that are to be performed six months or more into the future.

Neither our firm nor its management serve as general partner for a partnership or trustee for a trust in which the firm's advisory clients are either partners of the partnership or beneficiaries of the trust. See Item 10's sub-section "Private Equity" for additional information about Affiliated Entities of the Firm that may serve in this or a similar capacity.

The firm and its management do not have a financial condition likely to impair its ability to meet commitments to clients, nor has the firm and its management been the subject of a bankruptcy petition in the past 10 years.

Due to the nature of our firm's advisory services and operational practices as described in Item 15, an annual audited balance sheet prepared in accordance with generally accepted accounting principles and denoting the qualifications of our independent public accountant as well as any accompanying independent public accountant's report conforming to Article 2 of SEC Regulation S-X, will be made available to clients and prospective clients upon request.





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