

# Arista Advisory Group, LLC

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Arista Advisory Group, LLC. If you have any questions about the contents of this brochure, please contact us at (518) 464-0319 or by email at: [info@aristaadv.com](mailto:info@aristaadv.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about Arista Advisory Group, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Arista Advisory Group, LLC's CRD number is: 285722.*

255 Washington Avenue Extension Suite 204  
Albany, NY 12205  
(518) 464-0319  
[info@aristaadv.com](mailto:info@aristaadv.com)

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

Version Date: 03/15/2019

## **Item 2: Material Changes**

There are no material changes in this brochure from the last annual updating amendment of Arista Advisory Group, LLC on March 20, 2018. Material changes relate to Arista Advisory Group, LLC's policies, practices or conflicts of interests only.

## Item 3: Table of Contents

Item 1: Cover Page	
Item 2: Material Changes .....	ii
Item 3: Table of Contents .....	iii
Item 4: Advisory Business.....	2
A. Description of the Advisory Firm .....	2
B. Types of Advisory Services.....	2
C. Client Tailored Services and Client Imposed Restrictions.....	3
D. Wrap Fee Programs.....	4
E. Assets Under Management .....	4
Item 5: Fees and Compensation.....	4
A. Fee Schedule.....	4
B. Payment of Fees .....	5
C. Client Responsibility For Third Party Fees .....	6
D. Prepayment of Fees .....	6
E. Outside Compensation For the Sale of Securities to Clients.....	6
Item 6: Performance-Based Fees and Side-By-Side Management.....	6
Item 7: Types of Clients.....	6
Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss .....	7
A. Methods of Analysis and Investment Strategies .....	7
B. Material Risks Involved.....	7
C. Risks of Specific Securities Utilized.....	8
Item 9: Disciplinary Information.....	10
A. Criminal or Civil Actions.....	10
B. Administrative Proceedings.....	11
C. Self-regulatory Organization (SRO) Proceedings .....	11
Item 10: Other Financial Industry Activities and Affiliations .....	11
A. Registration as a Broker/Dealer or Broker/Dealer Representative .....	11
B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.....	11
C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests .....	11
D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections .....	11
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	11
A. Code of Ethics .....	11
B. Recommendations Involving Material Financial Interests .....	12
C. Investing Personal Money in the Same Securities as Clients .....	12

D. Trading Securities At/Around the Same Time as Clients' Securities .....	12
Item 12: Brokerage Practices.....	12
A. Factors Used to Select Custodians and/or Broker/Dealers.....	12
1. Research and Other Soft-Dollar Benefits.....	13
2. Brokerage for Client Referrals.....	13
3. Clients Directing Which Broker/Dealer/Custodian to Use .....	13
B. Aggregating (Block) Trading for Multiple Client Accounts.....	13
Item 13: Review of Accounts .....	14
A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews .....	14
B. Factors That Will Trigger a Non-Periodic Review of Client Accounts .....	14
C. Content and Frequency of Regular Reports Provided to Clients.....	14
Item 14: Client Referrals and Other Compensation.....	15
A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes).....	15
B. Compensation to Non – Advisory Personnel for Client Referrals.....	16
Item 15: Custody .....	16
Item 16: Investment Discretion .....	16
Item 17: Voting Client Securities (Proxy Voting) .....	16
Item 18: Financial Information .....	16
A. Balance Sheet .....	16
B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients .....	17
C. Bankruptcy Petitions in Previous Ten Years .....	17
ADV Part 2B .....	18
Education and Business Standards .....	18
Professional Certifications .....	18
Gerald M. Schwartz, CFP® – Owner/Chief Compliance Officer.....	19
Bernard Murphy, CFP®.....	20
Melissa Lydon .....	21

## Item 4: Advisory Business

### A. Description of the Advisory Firm

Arista Advisory Group, LLC (hereinafter "AAG") is a Limited Liability Company organized in the State of New York. The firm was formed in October 2016, and the principal owner is Gerald Max Schwartz.

### B. Types of Advisory Services

#### *Portfolio Management Services*

AAG offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. AAG creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that matches each client's specific situation. Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

AAG evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

AAG seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of AAG's economic, investment or other financial interests. To meet its fiduciary obligations, AAG attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, AAG's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is AAG's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent, including initial public offerings ("IPOs") and other investment opportunities that might have a limited supply, among its clients on a fair and equitable basis over time.

#### *Pension Consulting Services*

AAG offers consulting services to pension or other employee benefit plans (including but not limited to 401(k) plans). Pension consulting may include, but is not limited to:

- identifying investment objectives and restrictions

- providing guidance on various assets classes and investment options
- recommending money managers to manage plan assets in ways designed to achieve objectives
- monitoring performance of money managers and investment options and making recommendations for changes
- recommending other service providers, such as custodians, administrators and broker-dealers
- creating a written pension consulting plan

These services are based on the goals, objectives, demographics, time horizon, and/or risk tolerance of the plan and its participants.

### ***Financial Planning***

Financial plans and financial planning may include, but are not limited to: investment planning; life insurance; tax concerns; retirement planning; college planning; and debt/credit planning.

### ***Services Limited to Specific Types of Investments***

AAG generally limits its investment advice to mutual funds, fixed income securities, real estate funds (including REITs), insurance products including annuities, equities, ETFs (including ETFs in the gold and precious metal sectors), treasury inflation protected/inflation linked bonds, commodities, non-U.S. securities, venture capital funds and private placements. AAG may use other securities as well to help diversify a portfolio when applicable.

## **C. Client Tailored Services and Client Imposed Restrictions**

AAG will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by AAG on behalf of the client. AAG may use model allocations together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent AAG from properly servicing the client account, or if the restrictions would require AAG to deviate from its standard suite of services, AAG reserves the right to end the relationship.

For those clients pursuing a socially responsible investment based strategy, we research from a variety of sources and recommend investments.

## **D. Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. AAG does not participate in any wrap fee programs.

## **E. Assets Under Management**

AAG has the following assets under management:

<b>Discretionary Amounts:</b>	<b>Non-discretionary Amounts:</b>	<b>Date Calculated:</b>
\$169,654,274.00	\$2,731,068.00	December 2018

# **Item 5: Fees and Compensation**

## **A. Fee Schedule**

### *Portfolio Management Fees*

<b>Total Assets Under Management</b>	<b>Annual Fees</b>
\$0 - \$1,000,000	1.00%
\$1,000,000 - \$2,499,999	0.80%
\$2,500,000 - \$4,999,999	0.70%
\$5,000,000 – And Up	0.60%

In most cases, AAG uses the value of the client's account as of the last business day of the billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based; however, in rare cases, AAG and the client may agree that AAG will use the value of the account on the final day of the quarter for purposes of determining the market value of the assets.

These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Clients may terminate the agreement without penalty for a full refund of AAG's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract immediately upon written notice.

## *Pension Consulting Services Fees*

### **Asset-Based Fees for Pension Consulting**

<b>Total Assets Under Management</b>	<b>Annual Fee</b>
All Assets	0.25%

AAG uses the value of the account as of the last business day of the billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based.

These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the pension consulting agreement.

Clients may terminate the agreement without penalty for a full refund of AAG's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the pension consulting agreement immediately upon written notice. AAG uses an average of the daily balance in the client's account throughout the billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based.

## *Financial Planning Fees*

### **Fixed Fees**

The negotiated fixed rate for creating client financial plans is between \$0 and \$10,000.

### **Hourly Fees**

The negotiated hourly fee for these services is between \$150 and \$295.

Clients may terminate the agreement without penalty, for full refund of AAG's fees, within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Financial Planning Agreement generally upon written notice.

## **B. Payment of Fees**

### *Payment of Portfolio Management Fees*

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis or may be invoiced and billed directly to the client on a quarterly basis. Clients may select the method in which they are billed. Fees are paid in arrears.



### ***Payment of Pension Consulting Fees***

Asset-based pension consulting fees are withdrawn directly from the client's accounts with client's written authorization on a monthly basis. Fees are paid in arrears.

### ***Payment of Financial Planning Fees***

Financial planning fees are paid via check and wire.

Fixed financial planning fees are paid in arrears upon completion.

Hourly financial planning fees are paid in arrears upon completion.

### **C. Client Responsibility For Third Party Fees**

Clients are responsible for the payment of all third-party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by AAG. Please see Item 12 of this brochure regarding broker-dealer/custodian.

### **D. Prepayment of Fees**

AAG collects its fees in arrears. It does not collect fees in advance.

### **E. Outside Compensation For the Sale of Securities to Clients**

Neither AAG nor its supervised persons accept any compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

AAG does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## **Item 7: Types of Clients**

AAG generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit Sharing Plans
- ❖ Charitable Organizations

- ❖ Corporations or Business Entities

There is no account minimum for any of AAG's services.

## Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss

### A. Methods of Analysis and Investment Strategies

#### *Methods of Analysis*

AAG's methods of analysis include Fundamental analysis, Modern portfolio theory and Quantitative analysis.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

**Quantitative analysis** deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

#### *Investment Strategies*

AAG uses long term trading, margin transactions and options trading (including covered options, uncovered options, or spreading strategies).

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### B. Material Risks Involved

#### *Methods of Analysis*

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Modern portfolio theory** assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected

returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

**Quantitative analysis** Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

### *Investment Strategies*

AAG's use of margin transactions and options trading generally holds greater risk, and clients should be aware that there is a material risk of loss using any of those strategies.

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Margin transactions** use leverage that is borrowed from a brokerage firm as collateral. When losses occur, the value of the margin account may fall below the brokerage firm's threshold thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets on a shorter time frame than desired.

**Options transactions** involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value, as well as the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **C. Risks of Specific Securities Utilized**

AAG's use of margin transactions and options trading generally holds greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment

returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**Real estate** funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**Annuities** are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company

designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

**Private placements** carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

**Venture capital funds** invest in start-up companies at an early stage of development in the interest of generating a return through an eventual realization event; the risk is high as a result of the uncertainty involved at that stage of development.

**Commodities** are tangible assets used to manufacture and produce goods or services. Commodity prices are affected by different risk factors, such as disease, storage capacity, supply, demand, delivery constraints and weather. Because of those risk factors, even a well-diversified investment in commodities can be uncertain.

**Options** are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

**Non-U.S.** securities present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

## **B. Administrative Proceedings**

There are no administrative proceedings to report.

## **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

## **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither AAG nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

## **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither AAG nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

## **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Neither AAG nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

## **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

AAG does not utilize nor select third-party investment advisers. All assets are managed by AAG management.

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

## **A. Code of Ethics**

AAG has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions,

Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. AAG's Code of Ethics is available free upon request to any client or prospective client.

#### **B. Recommendations Involving Material Financial Interests**

AAG does not recommend that clients buy or sell any security in which a related person to AAG or AAG has a material financial interest.

#### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of AAG may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of AAG to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. AAG will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

#### **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of AAG may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of AAG to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, AAG will never engage in trading that operates to the client's disadvantage if representatives of AAG buy or sell securities at or around the same time as clients.

### **Item 12: Brokerage Practices**

#### **A. Factors Used to Select Custodians and/or Broker/Dealers**

Custodians/broker-dealers will be recommended based on AAG's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and AAG may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources

provided by the brokers that may aid in AAG's research efforts. AAG will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

AAG will recommend clients to use Schwab Institutional, a division of Charles Schwab & Co., Inc..

### ***1. Research and Other Soft-Dollar Benefits***

While AAG has no formal soft dollars program in which soft dollars are used to pay for third party services, AAG may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). AAG may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and AAG does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. AAG benefits by not having to produce or pay for the research, products or services, and AAG will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that AAG's acceptance of soft dollar benefits may result in higher commissions charged to the client.

### ***2. Brokerage for Client Referrals***

AAG receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

### ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

AAG may permit clients to direct it to execute transactions through a specified broker-dealer. Clients must refer to their advisory agreements for a complete understanding of how they may be permitted to direct brokerage. If a client directs brokerage, the client will be required to acknowledge in writing that the client's direction with respect to the use of brokers supersedes any authority granted to AAG to select brokers; this direction may result in higher commissions, which may result in a disparity between free and directed accounts and trades for the client and other directed accounts may be executed after trades for free accounts, which may result in less favorable prices, particularly for illiquid securities or during volatile market conditions. Not all investment advisers allow their clients to direct brokerage.

## **B. Aggregating (Block) Trading for Multiple Client Accounts**

AAG does not aggregate or bunch the securities to be purchased or sold for multiple clients. This may result in less favorable prices, particularly for illiquid securities or during volatile market conditions.



## **Item 13: Review of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

All client accounts for AAG's advisory services provided on an ongoing basis are reviewed at least Quarterly by Gerald M Schwartz, Principal & CCO, with regard to clients' respective investment policies and risk tolerance levels. All accounts at AAG are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Gerald M Schwartz, Principal & CCO. Financial planning clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

With respect to financial plans, AAG's services will generally conclude upon delivery of the financial plan.

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client of AAG's advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian. AAG will also provide at least quarterly a separate written statement to the client.

Each financial planning client will receive the financial plan upon completion.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

AAG does not receive any economic benefit, directly or indirectly from any third party for advice rendered to AAG's clients.

With respect to Schwab, AAG receives access to Schwab's institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Advisor Services. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For AAG client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to AAG other products and services that benefit AAG but may not benefit its clients' accounts. These benefits may include national, regional or AAG specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of personnel of AAG by Schwab Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist AAG in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable), provide research, pricing information and other market data, facilitate payment of AAG's fees from its clients' accounts (if applicable), and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of AAG's accounts. Schwab Advisor Services also makes available to AAG other services intended to help AAG manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to AAG by independent third parties. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or

a part of the fees of a third-party providing these services to AAG. AAG is independently owned and operated and not affiliated with Schwab.

#### **B. Compensation to Non – Advisory Personnel for Client Referrals**

AAG does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

### **Item 15:**

When advisory fees are deducted directly from client accounts at client's custodian, AAG will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

AAG may be deemed to have custody over the funds and securities of the trust(s) that AAG manages and for which it or its related persons serve as trustee.

### **Item 16: Investment Discretion**

AAG does not have discretion over client accounts at any time.

### **Item 17: Voting Client Securities (Proxy Voting)**

AAG will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

### **Item 18: Financial Information**

#### **A. Balance Sheet**

AAG neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

**B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither AAG nor its management has any financial condition that is likely to reasonably impair AAG's ability to meet contractual commitments to clients.

**C. Bankruptcy Petitions in Previous Ten Years**

AAG has not been the subject of a bankruptcy petition in the last ten years.

# **Arista Advisory Group, LLC**

## **Firm Brochure Supplement**

(Part 2B of Form ADV)

### ***Education and Business Standards***

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

### ***Professional Certifications or Licenses***

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

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

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

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

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

*Gerald M. Schwartz, CFP® – Owner/Chief Compliance Officer*

Born: 1947

Educational Background:

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

Business Experience:

- Arista Advisory Group, LLC (formerly Arista Investment Advisors, LTD.) 8/96 to present
- Group Nine Financial Planning 1984 to 1996 (merged with Burke and Casserly Associates to form Arista Investment Advisors, LTD.)
- Registered Representative/Registered Principal – Walnut Street Securities (formerly known as Nathan & Lewis Securities, Inc.), Broker/Dealer 3/89 to 3/04
- Advisor Representative – Walnut Street Securities (formerly known as Nathan & Lewis Securities, Inc.), Registered Investment Advisor 11/96 to 3/04
- Registered Representative – Merrill Lynch, 11/77 to 1/84

Additional Compensation (Outside Business Activities): None

Supervision:

As the CCO and owner of Arista Advisory Group, LLC, Gerald M. Schwartz supervises all duties and activities of the firm. Gerald M. Schwartz's contact information is on the cover page of this disclosure document. Gerald M. Schwartz adheres to applicable regulatory requirements, together with all policies and procedures outlined in the firm's code of ethics and compliance manual.

Disciplinary Action: None

***Bernard C. Murphy, CFP®***

Born: 1954

Educational Background:

- University of Dublin, Trinity College BA 1977
- University of Dublin, Trinity College, MA 1982

Business Experience:

- Arista Advisory Group, LLC (formerly Arista Investment Advisor, Ltd) 3/2016 to present
- Dovetail Financial Planning 3/2013 – 3/2016
- Arista Investment Advisors, Ltd 7/2010 – 3/2013
- Camphill Foundation President/Executive Director 1/2003 – 6/2010
- Triform Camphill Community, Executive Director 9/1987 – 5/2008

Additional Compensation (Outside Business Activities): None

Supervision:

Bernard is supervised by Gerald M. Schwartz, CCO/Owner. He reviews Bernard's work through frequent office interactions as well as remote interactions. He also reviews Bernard's activities through a client relationship management system.

Gerald Schwartz's contact information:

Phone: 518-464-0319

EMAIL: jerry@aristaadv.com

Disciplinary Action: None

***Melissa Lydon***

Born: 1978

Educational Background:

- Hunter College BA

Business Experience:

- Arista Advisory Group, LLC (formerly Arista Investment Advisors, Ltd) 2016 to present
- RBC Wealth Management Registered Representative 2009-2016
- Railroad Street Youth Project Program Director

Additional Compensation (Outside Business Activities): None

Supervision:

Melissa is supervised by Gerald M. Schwartz, CCO/Owner. He reviews Melissa's work through frequent office interactions as well as remote interactions. He also reviews Melissa's activities through a client relationship management system.

Gerald Schwartz's contact information:

Phone: 518-464-0319

EMAIL: jerry@aristaadv.com

Disciplinary Action: None