

## **Item 1 Cover Page**

Coastal Wealth Management  
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**This brochure provides information about the qualifications and business practices of Coastal Wealth Management, CRD# 327867. If you have any questions about the contents of this brochure, please contact us at (917) 558-2468. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration as a registered investment advisor does not imply a certain level of skill or training.**

**Additional information about Coastal Wealth Management also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 Material Changes**

This is a new brochure and there has not been a previous annual update. Therefore, there are no changes to report.

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#### **Item 4 Advisory Business**

Coastal Wealth Management (“Coastal”) is an investment advisor firm with a registration pending with the SEC.

The principal owner of Coastal is Laura Casey, Managing Director.

Coastal’s principal service is providing fee-based investment management services to clients. The Advisor practices custom management of portfolios, on a discretionary basis, according to the client’s objectives. The Advisor’s primary approach is to use a tactical allocation strategy aimed at reducing risk and increasing performance. The Advisor may use exchange listed securities, corporate debt securities, municipal securities, United States government securities, and options in securities to accomplish this objective. The Advisor may recommend, on occasion, redistributing investment allocations to diversify the portfolio in an effort to reduce risk and increase performance. The Advisor may recommend specific stocks to increase sector weighting and/or dividend potential. The Advisor may recommend employing cash positions as a possible hedge against market movement which may adversely affect the portfolio. The Advisor may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position(s) in the portfolio, change in risk tolerance of client, or any risk deemed unacceptable for the client’s risk tolerance.

Coastal will tailor its advisory services to its client’s individual needs based on meetings and conversations with the client. If clients wish to impose restrictions on investing in certain securities or types of securities, the Advisor will address those restrictions with the client to have a clear understanding of the client’s requirements.

Coastal does not provide portfolio management services to wrap fee programs.

As of the approval date of the firm, Coastal had no clients and therefore no client assets under management.

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

Pursuant to an Investment Advisory contract signed by each client, the client will pay Coastal an annual management fee, payable monthly in advance, based on the market value of portfolio assets of the account managed by the Advisor as of the opening of business on the first business day of each month. New account fees will be prorated from the inception of the account to the end of the first month.

Management fees will range up to 2.00% per annum depending on factors such as the type and complexity of the investment management strategy employed as well as the size of the account or overall client relationship. These fees may be negotiated by Coastal at its sole discretion. The

client will give written authorization permitting the Advisor to be paid directly from their account held by the custodian, and the custodian will send a statement at least quarterly to the client.

Client is responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer. The Advisor's fee is separate and distinct from the custodian and execution fees.

At no time will Coastal accept or maintain custody of a client's funds or securities except for authorized fee deduction.

Coastal's management fee is payable in advance. Upon termination, any fees paid in advance will be prorated to the date of termination and any unearned fees will be refunded to client.

Neither Coastal nor its supervised persons accept compensation for the sale of securities or other 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**

Coastal charges performance-based fees. There is no hurdle rate nor high-water mark.

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

The Advisor will offer its services to individuals, trusts, estates, and charitable organizations.

The Advisor does not have any minimum requirements for opening or maintaining an account.

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

The Advisor primarily utilizes fundamental analysis techniques in formulating investment advice and managing assets for clients.

Fundamental analysis of a business involves analyzing its financial statements and health, its management and competitive advantages, and its competitors and markets. Fundamental analysis is performed on historical and present data but with the goal of making financial forecasts. There are several possible objectives: to conduct a company stock valuation and predict its probable price evolution; to make a projection on its business performance; to evaluate its management and make internal business decisions; and to calculate its credit risk.

The investment strategies are implemented by the Advisor using long-term purchases of securities held at least for one year, and option writing, including covered options or spreading strategies.

Clients need to be aware that investing in securities involves risk of loss that clients need to be prepared to bear.

The methods of analysis and investment strategies followed by the Advisor are utilized across all of the Advisors clients, as applicable. One method of analysis or investment strategy is not more significant than the other as the Advisor is considering the client's portfolio, risk tolerance, time horizon and individual goals. However, the client should be aware that with any trading that occurs in the client account, the client will incur transaction and administrative costs.

Investing includes the risk that the value of an investment can be negatively affected by factors specifically related to the investment (e.g., capability of management, competition, new inventions by other companies, lawsuits against the company, labor issues, patent expiration, etc.), or to factors related to investing and the markets in general (e.g., the economy, wars, civil unrest or terrorism around the world, concern about oil prices or unemployment, etc.).

Risks of fundamental analysis may include risks that market actions, natural disasters, government actions, world political events or other events not directly related to the price or valuation of a specific company's fundamental analysis can adversely impact the stock price of a company causing a portfolio containing that security to lose value. Risks may also include that the historical data and projections on which the fundamental analysis is performed may not continue to be relevant to the operations of a company going forward, or that management changes or the business direction of management of the company may not permit the company to continue to produce metrics that are consistent with the prior company data utilized in the fundamental analysis, which may negatively affect the Advisor's estimate of the valuation of the company.

All investments involve some degree of risk. In finance, risk refers to the degree of uncertainty and/or potential financial loss inherent in an investment decision. In general, as investment risks rise, investors seek higher returns to compensate themselves for taking such risks.

The Advisor does primarily recommend that clients invest in exchange-listed securities (stocks), and various fixed income securities (bonds) and the material risks of these securities types are:

#### Risks of Investing in Stocks:

All investments involve some degree of risk. In finance, risk refers to the degree of uncertainty and/or potential financial loss inherent in an investment decision. In general, as investment risks rise, investors seek higher returns to compensate themselves for taking such risks.

Every saving and investment product has different risks and returns. Differences include how readily investors can get their money when they need it, how fast their money will grow, and how safe their money will be.

### Business Risk

With a stock, you are purchasing a piece of ownership in a company. Returns from these investments require that the company stays in business. If a company goes bankrupt and its assets are liquidated, common stockholders are the last in line to share in the proceeds. If there are assets, the company's bondholders will be paid first, then holders of preferred stock. If you are a common stockholder, you get whatever is left, which may be nothing.

### Volatility Risk

Even when companies aren't in danger of failing, their stock price may fluctuate up or down. Large company stocks as a group, for example, have lost money on average about one out of every three years. Market fluctuations can be unnerving to some investors. A stock's price can be affected by factors inside the company, such as a faulty product, or by events the company has no control over, such as political or market events.

### Liquidity Risk

This refers to the risk that investors won't find a market for their securities, potentially preventing them from buying or selling when they want. This can be the case with the more complicated investment products.

### Additional Risks that apply to Equity Strategies:

- Management Risk: Due to its passive and defensive management, a portfolio could underperform other portfolios with similar investment objectives and/or strategies.
- Allocation Risk: A portfolio may use an asset allocation strategy in pursuit of its investment objective. There is a risk that a portfolio's allocation among asset classes or investments will cause a portfolio to lose value or cause it to underperform other portfolios with a similar investment objective and/or strategy, or that the investments themselves will not produce the returns expected.
- Sector/Industry Risk: The risk that the strategy's concentration in equities in a specific sector or industry will cause the strategy to be more exposed to the price movements in and developments affecting that sector.
- Market and Timing Risk: Prices of securities may become more volatile due to general market conditions that are not specifically related to a particular company, such as adverse economic conditions or outlooks, adverse investor sentiment, changes in the outlook for corporate earnings, or changes in interest rates.
- Event Risk: The possibility that an unforeseen event will negatively affect a company or industry, and thus, increase the volatility of the security.

### Municipal Securities Risks:

The risk that any individual municipal bond with a high credit rating will default is negligible. Below is a list of some of the risks to consider when investing in municipal securities.

- **Credit Risk.** The possibility that a bond issuer will fail to repay interest and principal in a timely manner. Also called default risk.
- **Interest Rate Risk.** The possibility that a bond will decline in value because of an increase in interest rates.
- **Headline Risk.** The likelihood that a bond will decrease in value as a result of adverse media, such as when a high-profile default makes headlines.

#### U.S. Government Securities Risks:

U.S. Government Securities are generally considered one of the safest investments in the global financial markets. Two types of risks exist, however: credit risk and interest rate risk. Credit risk is the risk that an issuer will default, while interest rate risk accounts for the impact of changes in prevailing rates. In general, it is widely accepted that U.S. Government Securities are among the world's safest in terms of the likelihood that their interest and principal will be paid on time. However, U.S. Government Securities are subject to interest rate risk, and longer-term securities (10 years and longer) can be quite volatile.

#### Risks of Investing in Options:

Options are financial contracts that have values derived from underlying assets. Like stocks, bonds, and ETFs, options carry no guarantees, and investors in options may lose the entire principal invested or more. Using options on an underlying security creates risks that are different from investing in that security, and unique skills may be required to use options strategies effectively. Option prices tend to be much more volatile than their underlying securities due to leverage that is fundamental to their design which can magnify the price changes in the option relative to the underlying. Option sellers tend to bear significantly more risk than option buyers. While the maximum loss of a purchased option is generally limited to the option's price, a written (or sold) option can incur losses in excess of the value of the option or collateral required. For example, a short put option by itself can incur a loss equal to the strike price if the stock price goes to zero. A short call option by itself can theoretically have unlimited losses if the underlying stock price increases significantly past the strike price. The performance of an option strategy is influenced by the selection of underlying securities, expiration dates and strike prices. Similar option strategies using different underlying securities can have significantly different results. The success or failure of option strategies to accomplish their objectives can be significantly impacted by timing of market price movements relative to the expirations of long and short options held in the portfolio. Additionally, similar option strategies with different strike price selections can have significantly different results over time.

#### Risks of Uncovered Options Strategies:

An uncovered option strategy refers to an option that does not have an offsetting position in the underlying asset. Any investor who sells an option has a potential obligation. That obligation is met, or covered, by having a position in the security that underlies the option. If the investor sells the option but has no position in the underlying security, then the position is said to be uncovered, or naked. Uncovered put options are inherently risky because of the limited upside profit potential, and at the same time holding a significant downside loss potential. The maximum loss is theoretically significant because the price of the underlying security can fall to zero. The higher the strike price, the higher the potential loss. Uncovered call options are also inherently risky because of the limited upside profit potential, and a theoretically unlimited downside loss potential. Maximum loss is theoretically unlimited because there is no cap on how high the price of the underlying security can rise. Uncovered options are only suitable for experienced investors who understand the risks and can also afford substantial losses.

### **Item 9 Disciplinary Information**

Coastal has had any legal or disciplinary events, currently or in the past. Laura Casey had disciplinary action against her by FINRA due to Regulation Best Interest.

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

Neither Coastal nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither Coastal nor any of its management persons are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Coastal does not currently have any relationships or arrangements that are material to its advisory business or clients with either a broker-dealer, municipal securities dealer, or government securities dealer or broker, investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund” and offshore fund), other investment advisor or financial planner, futures commission merchant, commodity pool operator, or commodity trading advisor, banking or thrift institution, accountant or accounting firm, lawyer or law firm, insurance company or agency, pension consultant, real estate broker or dealer or sponsor of syndicator of limited partnerships.

Coastal might recommend outside investment advisors to its clients. Furthermore, CWM Long Option Fund LLC is managed in the same location as Coastal. There is a risk that Coastal could come in contact with MNPI.

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

Coastal is registering with the SEC and maintains a Code of Ethics pursuant to SEC rule 204A-1 that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the Advisor. In addition, the Code of Ethics governs personal trading by each employee of Coastal deemed to be an Access Person and is intended to ensure that securities transactions effected by Access Persons of Coastal are conducted in a manner that avoids any conflict of interest between such persons and clients of the Advisor or its affiliates. Coastal collects and maintains records of securities holdings and securities transactions effected by Access Persons. These records are reviewed to identify and resolve conflicts of interest. Coastal will provide a copy of the Code of Ethics to any client or prospective client upon request.

Coastal does not recommend to clients, or buy or sell for client accounts, securities in which the firm or a related person has a material financial interest.

Coastal and/or its investment advisor representatives may from time to time purchase or sell products that they may recommend to clients. This practice creates conflicts of interest in that personnel of Coastal can take advantage of the advance knowledge of firm securities trading and trade their personal accounts ahead of the client trades or recommend trades in client accounts that may affect the price of the securities owned by the Investment Advisor Representatives. To mitigate these conflicts, Coastal has adopted a Code of Ethics as noted above. Coastal's Code of Ethics is available upon request. Finally, supervised persons of registered investment advisors are fiduciaries by law and are required to put the client's interest before those of the firm and themselves.

Coastal requires that its investment advisor representatives follow its basic policies and ethical standards as set forth in its Code of Ethics.

Investment Advisor Representatives of Coastal may trade for their own accounts securities that are being traded for client accounts at or about the same time. To mitigate the conflict of interest in such circumstances, Coastal's policy is to require the trading of all relevant client accounts prior to the trading of their own accounts. The Chief Compliance Officer examines personal trading activities of Coastal's personnel to verify compliance with this policy.

## **Item 12 Brokerage Practices**

If requested by the client, Coastal may suggest brokers or dealers to be used based on execution and custodial services offered, cost, quality of service and industry reputation. Coastal will consider factors such as commission price, speed and quality of execution, client management tools, and convenience of access for both the Advisor and client in making its suggestion.

Coastal may receive proprietary research services or other products as a result of recommending a particular broker which may result in the client paying higher commissions than those obtainable through other brokers. If Coastal does receive such products or services, it will follow procedures which ensure compliance with Section 28(e) of the Securities Exchange Act of 1934 or applicable state securities rules.

The firm seeks to obtain the most favorable net results for clients' price, execution quality, services and commissions. Although the firm seeks competitive commission rates, it may pay commissions on behalf of clients which may be higher than those available from other brokers in order to receive other services. The firm may enter into such transactions so long as it determines in good faith that the amount of commission paid was reasonable in relation to the value of the brokerage and research services provided by the broker. The services that may be considered in this determination of reasonableness may include (1) advice, either directly or through publications or writing, as to the value of securities, the advisability of investing in, purchasing or selling securities, and the availability of securities or purchasers or sellers of securities; (2) analysis and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy, and the performance of accounts; or (3) effecting securities transactions and performing functions incidental thereto. Such research furnished by broker-dealers may be used to service any or all of Coastal's clients and may be used in connection with accounts other than those that pay commissions to the broker-dealers providing the research. In particular, third-party research provided by broker-dealers may be used to benefit all of the firm's clients. This creates a conflict of interest in that the firm has an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than on the clients' interest in receiving most favorable execution.

Benefits received may be used as soft dollars provided that:

- The service is primarily for the benefit of Coastal's clients
- The commission rates are competitive with rates charged by comparable broker-dealers; and
- Coastal does not guarantee a minimum amount of commissions to any broker-dealer.

Coastal does not receive client referrals from any broker-dealer or third party as a result of the firm selecting or recommending that broker-dealer to clients.

Coastal recommends that all clients use a particular broker-dealer for execution and/or custodial services. The broker-dealer is recommended based on criteria such as, but not limited to, reasonableness of commissions charged to the client, tools and services made available to the client and the Advisor, and convenience of access to the account trading and reporting. The client will provide authority to Coastal to direct all transactions through that broker-dealer in the investment advisory agreement.

As an investment advisory firm, Coastal has a fiduciary duty to seek best execution for client transactions. While best execution is difficult to define and challenging to measure, there is some consensus that it does not solely mean the achievement of the best price on a given transaction. Rather, it appears to be a collective consideration of factors concerning the trade in question. Such factors include the security being traded, the price of the trade, the speed of the execution, apparent conditions in the market, and the specific needs of the client. Coastal's primary objectives when placing orders for the purchase and sale of securities for client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the broker. Coastal may not necessarily pay the lowest commission or commission equivalent as specific transactions may involve specialized services on the part of the broker.

Coastal does not permit clients to direct brokerage except for choosing the custodian at the outset of the relationship.

Coastal may combine orders into block trades when more than one account is participating in the trade. This blocking or bunching technique must be equitable and potentially advantageous for each such account (e.g. for the purposes of reducing brokerage commissions or obtaining a more favorable execution price). Block trading is performed when it is consistent with the duty to seek best execution and is consistent with the terms of Coastal's investment advisory agreements. Equity trades are blocked based upon fairness to client, both in the participation of their account, and in the allocation of orders for the accounts of more than one client. Allocations of all orders are performed in a timely and efficient manner. All managed accounts participating in a block execution receive the same execution price (average share price) for the securities purchased or sold in a trading day. Any portion of an order that remains unfilled at the end of a given day will be rewritten on the following day as a new order with a new daily average price to be determined at the end of the following day. Due to the low liquidity of certain securities, broker availability may be limited. Open orders are worked until they are completely filled, which may span the course of several days. If an order is filled in its entirety, securities purchased in the aggregated transaction will be allocated among the accounts participating in the trade in accordance with the allocation statement. If an order is partially filled, the securities will be allocated pro rata based on the allocation statement. Coastal may allocate trades in a different manner than indicated on the allocation statement (non-pro rata) only if all managed accounts receive fair and equitable treatment.

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

Investment advisory client accounts are monitored on an ongoing basis. Formal reviews with clients will be conducted at least annually, or when conditions would warrant a review based on market conditions or changes in client circumstances. Triggering factors may include Coastal becoming aware of a change in client's investment objectives, a change in market conditions, change of employment, or a change in recommended asset allocation weightings in the account

that exceed a predefined guideline. Client accounts are reviewed by Laura Casey, Managing Director.

The client is encouraged to notify the Advisor and Investment Advisor Representative if changes occur in their personal financial situation that might materially affect their investment plan.

The client will receive written statements no less than quarterly from the custodian. Coastal does not deliver separate client reports.

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

Coastal is not compensated by anyone for providing investment advice or other advisory services except as previously disclosed in this Brochure.

Coastal does not directly or indirectly compensate any person who is not a supervised person for client referrals.

#### **Item 15 Custody**

Coastal does not have custody of client funds or securities, except for the withdrawal of advisory fees directly from client accounts (please see Item 5 which describes the safeguards around direct fee deduction). However, as noted in Item 13 above, clients will receive statements not less than quarterly from the qualified custodian, and we encourage you to review those statements carefully. Any discrepancies should be immediately brought to the firm's attention.

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

Coastal generally has discretion over the selection and amount of securities to be bought or sold in client accounts without obtaining prior consent or approval from the client for each transaction. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the client and agreed to by Coastal.

Discretionary authority will only be provided upon full disclosure to the client. The granting of such authority will be evidenced by the client's execution of an Investment Advisory Agreement containing all applicable limitations to such authority. All discretionary trades made by Coastal will be in accordance with each client's investment objectives and goals.

#### **Item 17 Voting Client Securities**

Coastal will not vote, nor advise clients how to vote, proxies for securities held in client accounts. The client clearly keeps the authority and responsibility for the voting of these proxies. Also, Coastal cannot give any advice or take any action with respect to the voting of these

proxies. The client and Coastal agree to this by contract. Clients will receive proxy solicitations from their custodian and/or transfer agent.

### **Item 18 Financial Information**

Coastal does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and is not required to file a balance sheet.

Coastal has discretionary authority over client accounts and is not aware of any financial condition that will likely impair its ability to meet contractual commitments to clients. If Coastal does become aware of any such financial condition, this Brochure will be updated and clients will be notified.

Coastal has never been subject to a bankruptcy petition.

