

# Messina Wealth Management

## Messina Wealth Management LLC

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**Form ADV Part 2A  
Firm Brochure  
September 27, 2024**

This Brochure provides information about the qualifications and business practices of Messina Wealth Management LLC. If you have any questions about the contents of this Brochure, please contact us at 214-205-2066 , or via e-mail at

Info@MessinaWealthManagement.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.

Messina Wealth Management LLC is a registered investment advisory firm. Registration of an investment advisory firm does not imply a particular level of skill or training.

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

## ITEM 2

# Material Changes

### Annual Update

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of our Firm Brochure. This Item discusses only specific material changes made to this Brochure and provides our clients with a summary of such changes.

### Material Changes since the Last Update

Messina Wealth Management LLC is a newly registered investment advisory firm in 2024.

### Full Brochure and Additional Information

Full Brochure and additional information about Messina Wealth Management LLC are available via the SEC's website, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any persons affiliated with us who are registered or are required to be registered as investment adviser representatives ("IAR").

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## Advisory Business

Messina Wealth Management is dedicated to providing individuals and other types of clients with a wide array of investment advisory services. Messina Wealth Management (“we,” “us,” “our,” “firm”) is a limited liability company formed under the laws of the State of Texas in 2023 and have been in business as a registered investment advisory firm since 2024.

The purpose of this Brochure is to disclose the details and potential conflicts of interest associated with investment transactions, compensation, and any other matters related to investment decisions made by our firm or its representatives. As a fiduciary, it is our duty to always act in the client’s best interest. This is accomplished in part by knowing our client. Our firm has established a service-oriented advisory practice with open lines of communication for many different types of clients to help meet their financial goals while remaining sensitive to risk tolerance and time horizons. Working with clients to understand their investment objectives while educating them about our process facilitates the kind of working relationship we value. Clients are under no obligation to act upon our investment recommendation(s).

Messina Wealth Management is owned and controlled by LM Wealth Management, LLC and KBM Wealth Management, LLC. Kristie Brunetti Messina is the Chief Compliance Officer.

### INVESTMENT ADVISORY SERVICES OFFERED

#### **Comprehensive Portfolio Management Services:**

As part of our Comprehensive Portfolio Management service, clients will be provided asset management, financial planning, or consulting services. This service is designed to assist clients in meeting their financial goals through the use of a financial plan or consultation. Our firm conducts client meetings to understand their current financial situation, existing resources, financial goals, and tolerance for risk. Based on what is learned, an investment approach is presented to the client, consisting of individual stocks, bonds, ETFs, options, mutual funds and other public and private securities or investments. Once the appropriate portfolio has been determined, portfolios are continuously and regularly monitored, and if necessary, rebalanced based upon the client’s individual needs, stated goals and objectives. Upon client request, our firm provides a summary of observations and recommendations for the planning or consulting aspects of this service.

#### **Asset Management Services:**

As part of our Asset Management service, a portfolio is created, consisting of individual stocks, bonds, exchange traded funds (“ETFs”), options, mutual funds and other public and private securities or investments. The client’s individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Portfolios will be designed to meet a particular investment goal, determined to be suitable to the client’s circumstances. Once the appropriate portfolio has been determined, portfolios are continuously and regularly monitored, and if necessary, rebalanced based upon the client’s individual needs, stated goals and objectives.

**Financial Planning and Consulting Services:**

Our firm provides a variety of standalone financial planning and consulting services to clients for the management of financial resources based upon an analysis of current situation, goals, and objectives. Financial planning services will typically involve preparing a financial plan or rendering a financial consultation for clients based on the client's financial goals and objectives.

This planning or consulting may encompass Investment Planning, Retirement Planning, Estate Planning, Charitable Planning, Education Planning, Corporate and Personal Tax Planning, Cost Segregation Study, Corporate Structure, Real Estate Analysis, Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, or Business and Personal Financial Planning.

Written financial plans or financial consultations rendered to clients usually include general recommendations for a course of activity or specific actions to be taken by the clients. Implementation of the recommendations will be at the discretion of the client. Our firm provides clients with a summary of their financial situation, and observations for financial planning engagements. Financial consultations are not typically accompanied by a written summary of observations and recommendations, as the process is less formal than the planning service. We provide our financial planning and consulting services on a project basis. Assuming all the information and documents requested from the client are provided promptly, plans or consultations are typically completed within six months of the client signing a contract with our firm.

**Retirement Planning Services & Consulting:**

Our firm provides retirement plan consulting services to employer plan sponsors on an ongoing basis as a 3(21) fiduciary. Generally, such consulting services consist of assisting employer plan sponsors in establishing, monitoring, and reviewing their company's participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advising could include investment options, plan structure and participant education. Employer retirement plan consulting services typically include:

- Establishing an Investment Policy Statement - Our firm will assist in the development of a statement that summarizes the investment goals and objectives along with the broad strategies to be employed to meet the objectives.
- Investment Options – Our firm will work with the Plan Sponsor to evaluate existing investment options and make recommendations for appropriate changes.
- Asset Allocation and Portfolio Construction - Our firm will develop strategic asset allocation models to aid Participants in developing strategies to meet their investment objectives, time horizon, financial situation, and tolerance for risk.
- Investment Monitoring – Our firm will monitor the performance of the investments and notify the client in the event of over/underperformance and in times of market volatility.

As it relates to employer retirement plan consulting, our firm does not provide any advisory services with respect to the following types of assets: employer securities, real estate (excluding real estate funds and publicly traded REITS), participant loans, non-publicly traded securities or assets, other illiquid investments, or brokerage window programs (collectively, "Excluded Assets").

All retirement plan consulting services shall be in compliance with the applicable state laws regulating retirement consulting services. This applies to client accounts that are retirement or other employee

benefit plans (“Plan”) governed by the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). If the client accounts are part of a Plan, and our firm accepts appointment to provide services to such accounts, our firm acknowledges its fiduciary standard within the meaning of Section 3(21) or 3(38) of ERISA as designated by the Retirement Plan Consulting Agreement with respect to the provision of services described therein.

**IRA Rollover Considerations/Conflicts of Interest:**

When recommending an existing or potential client rollover of employer-sponsored plan assets or their self-managed IRA, the Firm will make the following disclosures:

- As a fiduciary, our firm will mitigate any conflicts of interest by making sure the best interest of the client is of the utmost importance when making recommendations to roll over any employer-based plan, not for generating fee-based compensation.
- Our firm will offer multiple options to clients when recommending rolling over an IRA, such as:
  1. leave the money in an employer’s retirement plan, if permitted;
  2. roll over the assets to their new employer’s plan, if available and permitted;
  3. cash out the account value (which could result in adverse tax consequences)
- Our firm will advise that any recommendation to rollover an IRA or employer-based plan may result in additional fees and expenses

**TAILORING OF ADVISORY SERVICES**

Our firm offers individualized investment advice to all of our clients. On a case-by-case basis, our clients can impose restrictions on investing in certain securities or types of securities in accordance with their values or beliefs. However, it may not be possible if the restrictions prevent us from properly servicing the client’s account or if the restrictions would require us to deviate from our standard suite of services.

**WRAP FEE PROGRAMS**

Our firm offers a wrap fee program as described in Part 2A, Appendix 1 (the “Wrap Fee Program Brochure”) of our Brochure. Our wrap fee and non-wrap fee accounts are managed on an individualized basis according to the client’s investment objectives, financial goals, risk tolerance, etc. Generally, we do not manage wrap fee accounts in a different fashion than non-wrap fee accounts; however, certain client accounts can be managed differently based on the size and nature of the account and/or the client’s investment objectives and risk tolerance.

In our Wrap Fee Program, your fee is bundled with our costs for executing transactions in your account(s). This can result in a higher advisory fee for you. We do not charge our clients higher advisory fees based on their trading activity, but you should be aware that we have an incentive to limit our trading activities in your account(s) because we are charged for executed trades. By participating in a wrap fee program, you can end up paying more or less than you would through a non-wrap fee program where a lower advisory fee is charged, but trade execution costs are passed directly through to you by the executing broker.

## **ASSETS UNDER MANAGEMENT**

Messina Wealth Management is a newly registered investment advisory firm with the SEC and currently does not have any assets under management.

### **ITEM 5**

## **Fees and Compensation**

### **COMPENSATION FOR OUR ADVISORY SERVICES**

#### **Comprehensive Portfolio Management**

The maximum annual fee charged for this service will not exceed 2.00%. Fees to be assessed will be outlined in the advisory agreement to be signed by the client. Annualized fees are billed on a pro-rata basis quarterly in advance based on the value of the account(s) on the last day of the previous quarter. Fees are negotiable and will be deducted from client account(s).

In rare cases, our firm will agree to directly invoice for client accounts at an independent custodian. As part of this process, Clients understand the following:

- a. The client's independent custodian sends statements at least quarterly showing the market values for each security included in the Assets and all account disbursements, including the amount of the advisory fees paid to our firm;
- b. Clients will provide authorization permitting our firm to be directly paid by these terms.
- c. Our firm will send an invoice directly to the custodian; and
- d. If our firm sends a copy of our invoice to the client, a legend urging the comparison of information provided in our statement with those from the qualified custodian will be included.

#### **Asset Management**

The maximum annual fee charged for this service will not exceed 2.00%. Fees are negotiable and based on the scope and complexity of services. There may be special circumstances that dictate what fees are charged. Fees to be assessed will be outlined in the advisory agreement to be signed by the client. Annualized fees are billed on a pro-rata basis quarterly in advance based on the value of the account(s) on the last day of the previous quarter. Fees are negotiable and will be deducted from client account(s).

In rare cases, our firm will agree to directly invoice for client accounts at an independent custodian. As part of this process, Clients understand the following:

- a. The client's independent custodian sends statements at least quarterly showing the market values for each security included in the Assets and all account disbursements, including the amount of the advisory fees paid to our firm;
- b. Clients will provide authorization permitting our firm to be directly paid by these terms.
- c. Our firm will send an invoice directly to the custodian; and
- d. If our firm sends a copy of our invoice to the client, a legend urging the comparison of information provided in our statement with those from the qualified custodian will be included.

#### **Financial Planning and Consulting**

Our firm charges on an hourly or flat fee basis for financial planning and consulting services. The total estimated fee, as well as the ultimate fee charged, is based on the scope and complexity of our

engagement with the client. The maximum hourly fee to be charged will not exceed \$350. Flat fees range from \$1,500 to \$10,000. Our firm requires a retainer of 50% of the ultimate financial planning or consulting fee at the time of signing. The remainder of the fee will be directly billed to the client and due within 30 days of a financial plan being delivered or consultation rendered. For ongoing financial planning or consulting services, the client agrees to pay a one-time initial planning fee in addition to an annual fee paid out monthly in advance. Our firm will not require a retainer exceeding \$1,200 when services cannot be rendered within six months.

#### **Retirement Planning and Consulting**

Our Retirement Plan Consulting services are billed on an hourly or flat fee basis or a fee based on the percentage of Plan assets under management. The total estimated fee, as well as the ultimate fee charged, is based on the scope and complexity of our engagement with the client. The maximum hourly fee to be charged will not exceed \$250. Our flat fees range from \$750 to \$10,000. Fees based on a percentage of managed Plan assets will not exceed 2.00%. The fee-paying arrangements will be determined on a case-by-case basis and will be detailed in the signed consulting agreement.

#### **TERMINATION OF AGREEMENT**

Either party can terminate the agreement by providing a 30-day advance written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable up to and including the effective date of termination.

Notwithstanding the above, if we do not deliver the appropriate disclosure statement to you at least 48 hours prior to you entering into any written or oral advisory contract with us, then you have the right to terminate the contract without penalty within five (5) business days after entering into the contract.

### **ITEM 6**

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

Messina Wealth Management does not charge any performance-based fees nor do we participate in side-by-side management. Performance-based fees are fees that are based on a share of a capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees.

### **ITEM 7**

## **Types of Clients**

Messina Wealth Management offers discretionary and non-discretionary investment and non-investment related consulting services and investment advisory services to institutional and individual clients. Institutional clients include trusts, estates, charitable organizations, corporations, pension and profit-sharing plans, state or municipal organizations, other business entities, and Private Funds.

Generally, our firm requires clients to maintain a minimum account size of \$500,000. We generally combine family accounts to meet the account size minimum. Messina Wealth Management reserves the right to reduce or waive the account minimum requirements at our discretion.



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

### METHODS OF ANALYSIS

We use various methods of analysis and investment strategies, including the following:

**Charting** - This is a type of technical analysis where we review various charts of market and security activity in an attempt to identify when the market is moving up or down and predicting how long trends can last and when that trends might reverse.

**Cyclical Analysis** – Statistical analysis of specific events occurring at a sufficient number of relatively predictable intervals that they can be forecasted into the future. Cyclical analysis asserts that cyclical forces drive price movements in the financial markets. Risks include that cycles may invert or disappear and there is no expectation that this type of analysis will pinpoint turning points, instead be used in conjunction with other methods of analysis.

**Fundamental Analysis** – We evaluate economic and financial factors to determine if a security can be underpriced, overpriced, or fairly priced. This method entails assessing a security by attempting to determine its intrinsic value by examining related financial, economic, and other qualitative and quantitative factors. Fundamental analysis requires an in-depth look at all factors that can affect the security's value, from macroeconomic factors (like the overall economy and industry conditions) to individually specific factors (like the financial situation and management of companies). The overall objective of performing the fundamental analysis is to determine a value that an investor can use to determine what sort of position to take with that security. This method of security analysis is contrary to technical analysis. Fundamental analysis involves using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock. Therefore, unforeseen market conditions and/or company developments can result in significant price fluctuations that can lead to investor losses.

**Technical Analysis** – This method involves the evaluation of securities by performing an analysis of statistical information that is generated by market activity, such as past prices and volume. Technical analysis does not attempt to measure a security's intrinsic value but instead use charts and other tools to determine the patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

A substantial risk in relying upon technical analysis is that spotting historical trends cannot help predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that we will be able to accurately predict such a reoccurrence.

**Quantitative Analysis** – The use of models, or algorithms, to evaluate assets for investment. The process usually consists of searching vast databases for patterns, such as correlations among liquid assets or price-movement patterns (trend following or mean reversion). The resulting strategies may involve high-frequency trading. The results of the analysis are taken into consideration in the decision to buy or sell

securities and in the management of portfolio characteristics. A risk in using quantitative analysis is that the methods or models used may be based on assumptions that prove to be incorrect.

**Qualitative Analysis** – A securities analysis that uses subjective judgment based on unquantifiable information, such as management expertise, industry cycles, strength of research and development, and labor relations. Qualitative analysis contrasts with quantitative analysis, which focuses on numbers that can be found on reports such as balance sheets. The two techniques, however, will often be used together in order to examine a company's operations and evaluate its potential as an investment opportunity. Qualitative analysis deals with intangible, inexact concerns that belong to the social and experiential realm rather than the mathematical one. This approach depends on the kind of intelligence that machines (currently) lack, since things like positive associations with a brand, management trustworthiness, customer satisfaction, competitive advantage and cultural shifts are difficult, arguably impossible, to capture with numerical inputs. A risk in using qualitative analysis is that subjective judgment may prove incorrect.

**Modern Portfolio Theory** - Modern portfolio theory (MPT) is a risk-averse theory that involves the construction of portfolios to maximize and optimize expected return based on a given level of market risk, emphasizing that risk is an inherent part of higher reward. According to the theory, it's possible to construct an "efficient frontier" of optimal portfolios offering the maximum possible expected return for a given level of risk.

MPT tries to understand the market as a whole and measure market risk in an attempt to reduce the inherent risks of investing in the market. However, with every financial investment strategy, there is a risk of a loss of principal. Not every investment decision will be profitable, and there can be no guarantee of any level of performance.

## INVESTMENT STRATEGIES WE USE

We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations. There are inherent risks associated with each of these strategies.

**Asset Allocation** - The implementation of an investment strategy that attempts to balance risk versus reward by adjusting the percentage of each asset in an investment portfolio according to the investor's risk tolerance, goals and investment time frame. Asset allocation is based on the principle that different assets perform differently in different market and economic conditions. A fundamental justification for asset allocation is the notion that different asset classes offer returns that are not perfectly correlated, hence diversification reduces the overall risk in terms of the variability of returns for a given level of expected return. Although risk is reduced as long as correlations are not perfect, it is typically forecast (wholly or in part) based on statistical relationships (like correlation and variance) that existed over some past period. Expectations for return are often derived in the same way.

An asset class is a group of economic resources sharing similar characteristics, such as riskiness and return. There are many types of assets that may or may not be included in an asset allocation strategy. The "traditional" asset classes are stocks (value, dividend, growth, or sector-specific [or a "blend" of any two or more of the preceding]; large-cap versus mid-cap, small-cap or micro-cap; domestic, foreign [developed], emerging or frontier markets), bonds (fixed income securities more generally: investment-grade or junk [high-yield]; government or corporate; short-term, intermediate, long-term; domestic,

foreign, emerging markets), and cash or cash equivalents. Allocation among these three provides a starting point. Usually included are hybrid instruments such as convertible bonds and preferred stocks, counting as a mixture of bonds and stocks. Other alternative assets that may be considered include: commodities: precious metals, nonferrous metals, agriculture, energy, others.; Commercial or residential real estate (also REITs); Collectibles such as art, coins, or stamps; insurance products (annuity, life settlements, catastrophe bonds, personal life insurance products, etc.); derivatives such as long-short or market neutral strategies, options, collateralized debt, and futures; foreign currency; venture capital; private equity; and/or distressed securities.

There are several types of asset allocation strategies based on investment goals, risk tolerance, time frames and diversification. The most common forms of asset allocation are: strategic, dynamic, tactical, and core-satellite.

**Strategic Asset Allocation** - The primary goal of a strategic asset allocation is to create an asset mix that seeks to provide the optimal balance between expected risk and return for a long-term investment horizon. Generally speaking, strategic asset allocation strategies are agnostic to economic environments, i.e., they do not change their allocation postures relative to changing market or economic conditions.

**Dynamic Asset Allocation** - Dynamic asset allocation is similar to strategic asset allocation in that portfolios are built by allocating to an asset mix that seeks to provide the optimal balance between expected risk and return for a long-term investment horizon. Like strategic allocation strategies, dynamic strategies largely retain exposure to their original asset classes; however, unlike strategic strategies, dynamic asset allocation portfolios will adjust their postures over time relative to changes in the economic environment.

**Tactical Asset Allocation** - Tactical asset allocation is a strategy in which an investor takes a more active approach that tries to position a portfolio into those assets, sectors, or individual stocks that show the most potential for perceived gains. While an original asset mix is formulated much like strategic and dynamic portfolio, tactical strategies are often traded more actively and are free to move entirely in and out of their core asset classes

**Core-Satellite Asset Allocation** - Core-Satellite allocation strategies generally contain a 'core' strategic element making up the most significant portion of the portfolio, while applying a dynamic or tactical 'satellite' strategy that makes up a smaller part of the portfolio. In this way, core-satellite allocation strategies are a hybrid of the strategic and dynamic/tactical allocation strategies mentioned above.

**Fixed Income** – Fixed income is a type of investing or budgeting style for which real return rates or periodic income is received at regular intervals and at reasonably predictable levels. Fixed-income investors are typically retired individuals who rely on their investments to provide a regular, stable income stream. This demographic tends to invest heavily in fixed-income investments because of the reliable returns they offer. Fixed-income investors who live on set amounts of periodically paid income face the risk of inflation eroding their spending power.

Some examples of fixed-income investments include treasuries, money market instruments, corporate bonds, asset-backed securities, municipal bonds and international bonds. The primary risk associated with fixed-income investments is the borrower defaulting on his payment. Other considerations include

exchange rate risk for international bonds and interest rate risk for longer-dated securities. The most common type of fixed-income security is a bond. Bonds are issued by federal governments, local municipalities and major corporations. Fixed-income securities are recommended for investors seeking a diverse portfolio; however, the percentage of the portfolio dedicated to fixed income depends on your own personal investment style. There is also an opportunity to diversify the fixed-income component of a portfolio. Riskier fixed-income products, such as junk bonds and longer-dated products, should comprise a lower percentage of your overall portfolio.

The interest payment on fixed-income securities is considered regular income and is determined based on the creditworthiness of the borrower and current market rates. In general, bonds and fixed-income securities with longer-dated maturities pay a higher rate, also referred to as the coupon rate, because they are considered riskier. The longer the security is on the market, the more time it has to lose its value and/or default. At the end of the bond term, or at bond maturity, the borrower returns the amount borrowed, also referred to as the principal or par value rate risk, prepayment risk, market risk, and, in the case of bonds issued by municipalities and corporations, depending on the type of bond, the potential of default risk.

**Long-Term Investments** – When utilizing this strategy, we may buy securities for your account and hold them for a relatively long time (more than a year) in anticipation that the security's value will appreciate over a long horizon. The risk of this strategy is that our firm could miss out on potential short-term gains that could have been profitable to your account, or it's possible that the security's value may decline sharply before our firm makes a decision to sell.

**Short-Term Investments** – A short-term strategy involves the purchase of securities with the idea of selling them within a relatively short time, typically a year or less. This strategy is done in an attempt to take advantage of conditions that result in market fluctuations in the securities purchased.

**Hedging Strategy** – A hedging strategy uses certain instruments, such as options and certain ETFs, to limit or reduce investment risk; however, this strategy can also be expected to limit or reduce the potential for profit or result in losses. Certain hedging transactions involves the use of leverage, which could result in losses exceeding the amount committed in the transaction.

## POTENTIAL RISKS

Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and the account(s) could enjoy a gain, it is also possible that the stock market may decrease, and the account(s) could suffer a loss. It is important that clients understand the risks associated with investing in the stock market, and that their assets are appropriately diversified in investments. Clients are encouraged to ask our firm any questions regarding their risk tolerance.

### Investing involves the assumption of risk, including:

**Financial Risk:** Excessive borrowing to finance a business's operations increases the uncertainty of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

**Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a

security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.

**Inflation Risk:** If any type of inflation is present, a dollar today will not buy as much as a dollar at the same subsequent time, because purchasing power is eroded at the rate of inflation. Inflation tends to erode returns on investments, as well.

**Political and Governmental Risk:** which is the risk that the value of the investment is affected by the introduction of new laws or regulations.

**Interest Rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

**Call Risk:** which is the risk that your investment will be called or purchased back from you when conditions are favorable to the bond issuer and unfavorable to you.

**Default Risk:** which is the risk that the issuer is unable to pay the contractual interest or principal on the investment promptly or at all.

**Manager Risk:** which is the risk that an actively managed mutual fund's investment adviser will fail to execute the fund's stated investment strategy.

**Industry Risk:** which is the risk that a group of stocks in a single industry will decline in price due to adverse developments in that industry, decreasing the value of mutual funds that are significantly invested in that industry.

**Margin Risk:** A margin transaction occurs when an investor uses borrowed assets by using other securities as collateral to purchase financial instruments. The effect of purchasing a security using margin is to magnify any gains or losses sustained by the purchase of the financial instruments on margin. Margin trading involves interest charges and risks, including the potential to lose more than deposited or the need to deposit additional collateral in a falling market.

**Options Risk:** which is the risk that the underlying instrument will not change price in the manner expected, so an investor loses their premium. Selling options involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security, which could result in a potentially unlimited loss.

**Digital Assets Risk:** Digital assets are an emerging asset class that has yet to be fully defined. There is still a lack of clarity regarding the regulatory framework that will govern this investment sector. In addition, there are various risk factors, including but not limited to valuation risk, liquidity risk, volatility risk, technology risk, and legal, tax, and regulatory risk, each with its own probability and potential impact.

**Tax-Loss Harvesting Risk:** This strategy intends to sell an ETF or mutual fund at a taxable loss and replace those positions with a holding that has similar historical and expected future performance, thereby having minor impact on the overall strategic allocation but capturing the tax loss. Because past performance is not indicative of future performance, there is potential for the future performance of the replacement position to differ from that of the initial holding. This strategy may also increase trading frequency and transaction costs.

**ITEM 9****Disciplinary Information**

As of the date of this brochure, we have not been subject to any disciplinary, legal, or regulatory events related to past or present investment clients. There have been no disciplinary, legal, or regulatory events related to us or any of our management persons.

**ITEM 10****Other Financial Activities and Affiliations****FINANCIAL INDUSTRY ACTIVITIES**

Messina Wealth Management is not registered nor has an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

Neither Messina Wealth Management nor its management persons are registered or has an application pending to register as a futures commission merchant, commodity pool operator, or commodity trading advisor.

Lawrence Messina is a sole member of Pacific Corridor, LLC. Pacific Corridor, LLC is a real estate investment and development holding company. This accounts for not more than 5% of his time and he does not receive compensation from this role. Lawrence Messina does not solicit clients to invest in Pacific Corridor, LLC; therefore, these activities do not conflict with his duties as an investment adviser representative.

Lawrence Messina and Kristie Brunetti Messina are also licensed as registered representatives with Purshe Kaplan Sterling Investments ("PKS"), a full-service broker-dealer registered with the SEC, FINRA, and MSRB. Messina Wealth Management is not affiliated with PKS. In their individual capacity as registered representatives, these individuals receive trailing compensation from prior sales of securities and may also receive usual and customary commissions for sales of securities through PKS. Receipt of commissions for securities sales is a conflict of interest as it gives these registered representatives an incentive to recommend investment products based on the additional compensation received. Messina Wealth Management advisory clients are not charged both advisory fees and transaction related fees on investment products that these registered representatives recommend. When client portfolios hold securities for which related registered representatives receive commissions and/or trailing 12b-1 fees, Messina Wealth Management does not charge advisory fees on those securities.

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

Messina Wealth Management has developed a code of ethics that will apply to all of our supervised persons. We and our IARs must act in a fiduciary capacity when providing investment advisory services to you. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. Messina Wealth Management has a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle of our code of ethics, which also covers our insider trading and personal securities transactions policies and procedures. We require all of our IAR's to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or

affiliation and at least annually thereafter, all IAR's will acknowledge that they have read, understand, and agree to comply with our firm's Code of Ethics, a copy of which is available upon request.

Neither our firm nor a related person recommends, buys or sells for client accounts, securities in which our firm or a related person has a material financial interest without prior disclosure to the client.

Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request.

There are instances where an IAR will recommend to investment advisory clients or prospective clients the purchase or sale of securities in which an IAR, its affiliates, or other clients can also have a position or interest. Certain affiliated accounts can trade in the same securities with client accounts on an aggregated basis. Generally, in such circumstances, the affiliated and client accounts will share execution costs equally. Completed trade orders will be allocated according to the instructions from the initial trade order. Partially filled trade orders will be allocated on a pro-rata basis. Any exceptions will be explained in the trade order.

Messina Wealth Management monitors and controls personal trading through pre-approval of all personal securities transactions or blackout periods imposed upon IAR's trading in the same securities as our firm. We forbid any officer or IAR, either personally or on behalf of others, to trade on material, nonpublic information or communicate such information to others in violation of the law.

## ITEM 12

## Brokerage Practices

Messina Wealth Management does not maintain custody of client assets. Client assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. Our firm recommends that clients use the Schwab Advisor Services division of Charles Schwab & Co. Inc. ("Schwab"), a FINRA-registered broker-dealer, member SIPC, as the qualified custodian. Our firm is independently owned and operated, and not affiliated with Schwab. Schwab will hold client assets in a brokerage account and buy and sell securities when instructed. While our firm recommends that clients use Schwab as custodian/broker, clients will decide whether to do so and open an account with Schwab by entering into an account agreement directly with them. Our firm does not open the account. Even though the account is maintained at Schwab, our firm can still use other brokers to execute trades, as described in the next paragraph.

### HOW BROKERS/CUSTODIANS ARE SELECTED

Our firm seeks to recommend a custodian/broker who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. A wide range of factors are considered, including, but not limited to:

- 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 client accounts)
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)



- breadth of investment products made available (stocks, bonds, mutual funds, exchange traded funds (ETFs), etc.)
- availability of investment research and tools that assist 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
- prior service to our firm and our other clients
- availability of other products and services that benefit our firm, as discussed below (see “Research and Other Benefits”)

## **RESEARCH AND OTHER BENEFITS**

### **Products & Services Available to Us from Schwab**

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab’s business serving independent investment advisory firms like ours. They provide us and our clients with access to its institutional brokerage – trading, custody, reporting, and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients’ accounts, while others help us manage and grow our business. Schwab’s support services are generally available on an unsolicited basis and at no charge to us as long as we maintain a total of at least \$10 million of our clients’ assets in accounts at Schwab.

### **Services that Benefit Client**

Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access, or that would require a significantly higher minimum initial investment by our clients. Schwab’s services described in this paragraph generally benefit clients or their account(s).

### **Services that May Not Directly Benefit Clients**

Schwab also makes available to us other products and services that benefit us but cannot directly benefit the client or their account(s). These products and services assist us in managing and administering our clients’ accounts. They include investment research, both Schwab’s own and that of third parties. We can use this research to service all or some substantial number of our clients’ accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes 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.

### **Services that Generally Benefit Only Our Firm**



Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession, and
- access to employee benefits providers, human capital consultants, and insurance providers.

Schwab can provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab can also discount or waive its fees for some of these services or pay all or a part of a third party's fees.

Irrespective of direct or indirect benefits to our client through Schwab, we strive to enhance the client's experience, help reach their goals, and put their interests before that of our firm or its associated persons.

### **BROKERAGE FOR CLIENT REFERRALS**

We do not receive client referrals from broker-dealers.

### **DIRECTED BROKERAGE**

Clients will be permitted to select any broker-dealer of their choosing. In these situations, we are unable to achieve the most favorable execution for client transactions. Directing brokerage can cost clients more money in that the client can pay higher brokerage commissions because we are not able to aggregate orders to reduce transaction costs, or the client can receive less favorable prices.

### **TRADE AGGREGATION**

We attempt to allocate trade executions in the most equitable manner possible, taking into consideration current asset allocation and availability of funds using price averaging, proration, and consistently non-arbitrary methods of allocation. We can aggregate orders in order to obtain the best execution, to negotiate more favorable commission rates, or to allocate equitably among our clients' differences in prices and commission or other transaction costs. In aggregated orders, transactions will be price-averaged and allocated among our clients in proportion to the purchase and sale orders placed for each client account on any given day.

## **ITEM 13**

## **Review of Accounts**

### **PERIODIC REVIEWS**

Our firm reviews accounts on at least an annual basis for our Asset Management and Comprehensive Portfolio Management. The nature of these reviews is to learn whether client accounts are in line with their investment objectives, appropriately positioned based on current market conditions, and investment policies, if applicable. Clients receive at least quarterly, statements from the qualified custodian(s) regarding their assets showing the portfolio inventory and transactions during that period. Our firm does not provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis when Asset Management and Comprehensive Portfolio Management clients are contacted. Our firm may review client accounts more frequently than described above. Among

the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

Financial Planning clients do not receive reviews of their written plans unless they take action to schedule a financial consultation with us. Our firm does not provide ongoing services to financial planning clients, but are willing to meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc. Financial Planning clients do not receive written or verbal updated reports regarding their financial plans unless they separately engage our firm for a post-financial plan meeting or update to their initial written financial plan.

#### ITEM 14

### Client Referrals and Other Compensation

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. In addition, Schwab has also agreed to pay for certain products and services for which we would otherwise have to pay once the value of our clients' assets in accounts at Schwab reaches a certain size. In some cases, a recipient of such payments is an affiliate of ours or another party which has some pecuniary, financial, or other interests in us (or in which we have such an interest). You do not pay more for assets maintained at Schwab as a result of these arrangements. However, we benefit from the arrangement because the cost of these services would otherwise be borne directly by us. You should consider these conflicts of interest when selecting a custodian. The products and services provided by Schwab, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices).

While we do not have any current arrangements with any Third-Party Money Managers, at such time that we do, we will receive compensation based on the service they provide to our clients. Any such compensation arrangement will be formalized in an agreement and disclosed to our clients.

Please see Item 12, Brokerage Practices, for information regarding the benefits we receive from our custodian.

#### ITEM 15

### Custody

We are deemed to have custody of client funds and securities due to our ability to deduct management fees from clients' accounts. We will not take physical custody of clients' funds and will not assign or transfer trading authorization to another advisor. Clients will receive account statements from the qualified custodian(s) holding their funds and securities at least quarterly. The custodian's account statements will indicate the amount of our advisory fees deducted from the clients' account(s) each billing period. These statements should be carefully reviewed by the client for accuracy. Item 5 – Fees and Compensation has additional information regarding our ability to deduct management fees from clients' accounts.

We are deemed to have custody as a result of our Standing Letters of Authorization ("SLOA(s)") to transfer funds from their account to third parties. In such instances where we act under such an SLOA, it is our policy to only initiate these transactions when directed by the client to transfer funds to a third party the client designates for a designated amount and at a designated time, all of their choosing. A surprise examination is not required in this circumstance where we are deemed to have custody due to SLOAs, as we are relying on the conditions set forth in the No-Action letter issued by the Securities and Exchange

Commission on February 21, 2017. Pursuant to the conditions set forth in the No-Action Letter, we confirm that in those situations

- you provide an instruction to the qualified custodian, in writing, that includes your signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed;
- you authorize us, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time;
- the qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify your authorization, and the qualified custodian provides a transfer of funds notice to you promptly after each transfer;
- you have the ability to terminate or change the instruction to the qualified custodian;
- we have no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in your instruction;
- we maintain records showing that the third party is not a related party of our firm or located at the same address as our firm and
- the qualified custodian sends you, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

## **ITEM 16** Investment Discretion

### **DISCRETIONARY AUTHORITY FOR TRADING**

Clients have the option of providing our firm with investment discretion on their behalf, pursuant to an executed investment advisory client agreement. By granting investment discretion, our firm is authorized to execute securities transactions, determine which securities are bought and sold, and the total amount to be bought and sold. Should clients grant our firm non-discretionary authority, our firm would be required to obtain the client's permission prior to effecting securities transactions.

On a case-by-case basis, you can place reasonable restrictions on the types of investments that can be purchased or sold in your account so long as the restrictions are explicitly set forth or included as an attachment to the investment advisory agreement.

## **ITEM 17** Voting Client Securities

Our firm does not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, our firm will forward them to the appropriate client and ask the party who sent them to mail them directly to the client in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

## **ITEM 18** Financial Information

### **INCLUSION OF A BALANCE SHEET**

Our firm does not require nor is prepayment solicited for more than \$1,200 in fees per client, 6 months or more in advance. Therefore, our firm has not included a balance sheet for our most recent fiscal year.

Our firm is not required to provide financial information in this Brochure because:

- Our firm does not require the prepayment of more than \$1,200 in fees when services cannot be rendered within 6 months.
- Our firm does not take custody of client funds or securities.
- Our firm does not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.
- Our firm has never been the subject of a bankruptcy proceeding. We are currently not in, nor have we been historically, in a financially precarious situation or the subject of a bankruptcy petition.