

**FORM ADV PART 2A
DISCLOSURE BROCHURE**

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This brochure provides information about the qualifications and business practices of Arnold Castellano & Associates, LLC. Being registered as an investment adviser does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at (318) 683-1040. 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 ARNOLD CASTELLANO &
ASSOCIATES, LLC (CRD #117369) IS AVAILABLE ON THE SEC'S WEBSITE
AT 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 the Firm Brochure.

Material Changes since the Last Update

Since the last filing of this brochure on March 25, 2024, the following changes have occurred:

- Item 4 has been updated to disclose the most recent calculation for client assets under management.
 - The firm is seeking registration with the SEC.
 - Item 4 & 5 updated to include new Sub-Advisor Betterment LLC
 - Financial planning fees have been updated in Item 5.
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Full Brochure Available

This Firm Brochure being delivered is the complete brochure for the Firm.

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Item 4: Advisory Business

Firm Description

Arnold Castellano & Associates, LLC (“ACA”) was founded as a certified public accounting (CPA) firm in 1987 and began offering advisory services in 2002. Arnold Castellano Jr, CPA is 100% owner. The CPA firm established the Investment Advisor firm to include a financial planning service integrated with quality tax planning and preparation.

Types of Advisory Services

ASSET MANAGEMENT

ACA offers discretionary asset management services to advisory Clients. ACA will offer Clients ongoing asset management services through determining individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, asset allocation, portfolio monitoring and the overall investment program will be based on the above factors. The Client will authorize ACA discretionary authority to execute selected investment program transactions as stated within the Investment Advisory Agreement.

When deemed appropriate for the Client, ACA may hire Sub-Advisors to manage all or a portion of the assets in the Client account. ACA has full discretion to hire and fire Sub-Advisors as they deem suitable. Sub-Advisors will maintain the models or investment strategies agreed upon between Sub-Advisor and ACA. Sub-Advisors execute trades on behalf of ACA in Client accounts. ACA will be responsible for the overall direct relationship with the Client. ACA retains the authority to terminate the Sub-Advisor relationship at ACA’s discretion.

Orion Portfolio Solutions

ACA offers discretionary management services through a program sponsored by Orion Portfolio Solutions (“OPS”). The terms and conditions under which the Client shall engage Orion Portfolio Solutions shall be set forth in separate written agreements between (1) the Client and ACA and (2) the Client and Orion Portfolio Solutions. ACA shall continue to render advisory services to the Client relative to the ongoing monitoring and review of account performance, for which ACA shall receive an annual advisory fee which is based upon a percentage of the market value of the assets being managed by Orion Portfolio Solutions. Factors that ACA shall consider in recommending Orion Portfolio Solutions include the Client’s stated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. In addition to ACA’s written disclosure statement, the Client shall also receive the written disclosure statement of Orion Portfolio Solutions. Clients should review Orion Portfolio Solutions’ ADV Part 2 or Terms of Use for additional details regarding services.

Betterment Platform

ACA offers discretionary direct asset management services to advisory clients utilizing The Betterment for Advisors platform for digital services. On this platform, ACA has the discretion to delegate the management of all or part of the Assets to one or more independent investment managers or independent investment management programs (“Independent Managers”). To the extent utilized, Independent Managers will have limited power-of-attorney and trading authority over those assets ACA directs to them for management. ACA will supervise the Independent Managers and monitor and review asset allocation and asset performance. ACA may terminate or change Independent Managers

when, in ACA's sole discretion, ACA believes such termination or changes is in your best interest.

ERISA PLAN SERVICES

ACA provides service to qualified retirement plans including 401(k) plans, 403(b) plans, pension and profit-sharing plans, cash balance plans, and deferred compensation plans. ACA may act as either a 3(21) or 3(38) advisor:

Limited Scope ERISA 3(21) Fiduciary. ACA may serve as a limited scope ERISA 3(21) fiduciary that can advise, help and assist plan sponsors with their investment decisions. As an investment advisor ACA has a fiduciary duty to act in the best interest of the Client. The plan sponsor is still ultimately responsible for the decisions made in their plan, though using ACA can help the plan sponsor delegate liability by following a diligent process.

1. Fiduciary Services are:

- Provide investment advice to the Client about asset classes and investment alternatives available for the Plan in accordance with the Plan's investment policies and objectives. Client will make the final decision regarding the initial selection, retention, removal and addition of investment options. ACA acknowledges that it is a fiduciary as defined in ERISA section 3 (21) (A) (ii).
- Assist the Client in the development of an investment policy statement ("IPS"). The IPS establishes the investment policies and objectives for the Plan. Client shall have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the IPS.
- Provide investment advice to the Plan Sponsor with respect to the selection of a qualified default investment alternative for participants who are automatically enrolled in the Plan or who have otherwise failed to make investment elections. The Client retains the sole responsibility to provide all notices to the Plan participants required under ERISA Section 404(c) (5) and 404(a)-5.
- Assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformance to the guidelines set forth in the IPS and make recommendations to maintain, remove or replace investment options.
- Meet with Client on a periodic basis to discuss the reports and the investment recommendations.

2. Non-fiduciary Services are:

- Assist in the education of Plan participants about general investment information and the investment alternatives available to them under the Plan. Client understands ACA's assistance in education of the Plan participants shall be consistent with and within the scope of the Department of Labor's definition of investment education (Department of Labor Interpretive Bulletin 96-1). As such, ACA is not providing fiduciary advice as defined by ERISA 3(21)(A)(ii) to the Plan participants. ACA will not provide investment advice concerning the prudence of any investment option or combination of investment options for a particular participant or beneficiary under the Plan.

- Assist in the group enrollment meetings designed to increase retirement plan participation among the employees and investment and financial understanding by the employees.

ACA may provide these services or, alternatively, may arrange for the Plan's other providers to offer these services, as agreed upon between ACA and Client.

3. ACA has no responsibility to provide services related to the following types of assets ("Excluded Assets"):

- Employer securities;
- Real estate (except for real estate funds or publicly traded REITs);
- Stock brokerage accounts or mutual fund windows;
- Participant loans;
- Non-publicly traded partnership interests;
- Other non-publicly traded securities or property (other than collective trusts and similar vehicles); or
- Other hard-to-value or illiquid securities or property.

Excluded Assets will **not** be included in calculation of Fees paid to ACA on the ERISA Agreement. Specific services will be outlined in detail to each plan in the 408(b)2 disclosure.

ERISA 3(38) Investment Manager. ACA can also act as an ERISA 3(38) Investment Manager in which it has discretionary management and control of a given retirement plan's assets. ACA would then become solely responsible and liable for the selection, monitoring and replacement of the plan's investment options.

1. Fiduciary Services are:

- ACA has discretionary authority and will make the final decision regarding the initial selection, retention, removal and addition of investment options in accordance with the Plan's investment policies and objectives.
- Assist the Client with the selection of a broad range of investment options consistent with ERISA Section 404(c) and the regulations thereunder.
- Assist the Client in the development of an investment policy statement ("IPS"). The IPS establishes the investment policies and objectives for the Plan.
- Provide discretionary investment advice to the Plan Sponsor with respect to the selection of a qualified default investment alternative for participants who are automatically enrolled in the Plan or who have otherwise failed to make investment elections. The Client retains the sole responsibility to provide all notices to the Plan participants required under ERISA Section 404(c) (5).

2. Non-fiduciary Services are:

- Assist in the education of Plan participants about general investment information and the investment alternatives available to them under the Plan. Client understands the ACA's assistance in education of the Plan participants shall be consistent with and within the scope of the Department of Labor's definition of investment education (Department of Labor Interpretive Bulletin 96-1). As such, the ACA is not providing fiduciary advice as defined by ERISA to the Plan participants. ACA will not provide investment advice concerning the prudence of any investment

option or combination of investment options for a particular participant or beneficiary under the Plan.

- Assist in the group enrollment meetings designed to increase retirement plan participation among the employees and investment and financial understanding by the employees.

ACA may provide these services or, alternatively, may arrange for the Plan's other providers to offer these services, as agreed upon between ACA and Client.

3. ACA has no responsibility to provide services related to the following types of assets ("Excluded Assets"):

- Employer securities;
- Real estate (except for real estate funds or publicly traded REITs);
- Stock brokerage accounts or mutual fund windows;
- Participant loans;
- Non-publicly traded partnership interests;
- Other non-publicly traded securities or property (other than collective trusts and similar vehicles); or
- Other hard-to-value or illiquid securities or property.

Excluded Assets will **not** be included in calculation of Fees paid to the Adviser on the ERISA Agreement. Specific services will be outlined in detail to each plan in the 408(b)2 disclosure.

FINANCIAL PLANNING AND CONSULTING

Financial planning services include a comprehensive evaluation of an investor's current and future financial state and will be provided by using currently known variables to predict future cash flows, asset values and withdrawal plans. ACA will use current net worth, tax liabilities, asset allocation, and future retirement and estate plans in developing financial plans.

Typical topics reviewed in a financial plan may include but are not limited to:

- **Financial goals:** Based on an individual's or a family's clearly defined financial goals, including funding a college education for the children, buying a larger home, starting a business, retiring on time or leaving a legacy. Financial goals should be quantified and set to milestones for tracking.
- **Personal net worth statement:** A snapshot of assets and liabilities serves as a benchmark for measuring progress towards financial goals.
- **Cash flow analysis:** An income and spending plan determines how much can be set aside for debt repayment, savings and investing each month.
- **Retirement strategy:** A strategy for achieving retirement independent of other financial priorities. Including a strategy for accumulating the required retirement capital and its planned lifetime distribution.
- **Comprehensive risk management plan:** Identify all risk exposures and provide the necessary coverage to protect the family and its assets against financial loss. The risk management plan includes a full review of life and disability insurance, personal liability coverage, property and casualty coverage, and catastrophic coverage.
- **Long-term investment plan:** Include a customized asset allocation strategy based on specific investment objectives and a risk profile. This investment plan sets

guidelines for selecting, buying and selling investments and establishing benchmarks for performance review.

- **Tax reduction strategy:** Identify ways to minimize taxes on personal income to the extent permissible by the tax code. The strategy should include identification of tax-favored investment vehicles that can reduce taxation of investment income.
- **Estate preservation:** Help update accounts, review beneficiaries for retirement accounts and life insurance, provide a second look at your current estate planning documents, and prompt you to update your plan when the legal environment changes or you have major life events such as a marriage, death, or births.

If a conflict of interest exists between the interests of ACA and the interests of the Client, the Client is under no obligation to act upon ACA's recommendation. If the Client elects to act on any of the recommendations, the Client is under no obligation to effect the transaction through ACA. Financial plans will be completed and delivered inside of 120 days contingent upon timely delivery of all required documentation.

Client Tailored Services and Client Imposed Restrictions

The goals and objectives for each Client are documented in our Client files. Investment strategies are created that reflect the stated goals and objectives. Clients may impose restrictions on investing in certain securities or types of securities. Agreements may not be assigned without written Client consent.

Wrap Fee Programs

ACA does not sponsor any wrap fee programs.

ACA places clients into wrap fee programs offered by Betterment. When participating in a wrap fee program provided by Betterment, Client will receive additional information from Betterment in the form of a Client Agreement. Betterment LLC will provide the wrap program with Betterment Securities as the custodian for the wrap program. ACA will ensure that client has received the program brochure prior to engaging in this service. Betterment Securities will make available on the Website to Client any and all notices and other communications relating to the Account, including privacy notices, transaction confirmations, prospectuses, and, where required by applicable laws and regulations, any proxy materials, annual reports, notices of meetings and any other material furnished to Betterment Securities by issuers whose securities Client owns. Betterment Securities will also deliver to Client account statements, and other notices regarding the Account or Services. Such notices and other communications will be sent or forwarded to Client via electronic mail address Client has specified or by making them available on the Website.

Client Assets under Management

ACA has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$113,742,554	\$0	April 17, 2024

Item 5: Fees and Compensation

Method of Compensation and Fee Schedule

ASSET MANAGEMENT

ACA offers discretionary direct asset management services to advisory Clients. ACA charges an annual investment advisory fee based on the total assets under management as follows:

Assets Under Management	Annual Fee
Up to \$1,000,000	1.00%
\$1,000,001 to \$2,000,000	0.75%
\$2,000,001 and above	0.50%

This is a flat fee/breakpoint fee schedule, the entire portfolio is charged the same asset management fee. For example, a Client with \$750,000 under management would pay \$7,500 on an annual basis. $\$750,000 \times 1.00\% = \$7,500$.

Fees are billed either billed semi-annually in arrears on May 1 and November 1 or quarterly in arrears on the last business day of each quarter based on the amount of assets managed as of the close of business on the last business day of the previous period. Lower fees for comparable services may be available from other sources. Clients may terminate their account within five (5) business days of signing the Investment Advisory Agreement with no obligation and without penalty. After the initial five (5) business days, the agreement may be terminated by ACA with thirty (30) days written notice to Client and by the Client at any time with written notice to ACA. For accounts opened or closed mid-billing period, fees will be prorated based on the days services are provided during the given period. All unpaid earned fees will be due to ACA. Client shall be given thirty (30) days prior written notice of any increase in fees. Any increase in fees will be acknowledged in writing by both parties before any increase in said fees occurs.

ACA may also utilize the services of a Sub-Advisor to manage Clients' investment portfolios. ACA will enter into Sub-Advisor agreements with other registered investment advisor firms. When using Sub-Advisors, the Client will pay additional fees of up to 0.60% annually. The Sub-Advisors fees are not included in the total fee disclosed by ACA. Sub-Advisor directly deducts their portion of the fee separately from ACA.

The Management Fee will be pro-rated and billed, in arrears, at the end of each quarter based on the average portfolio value which is calculated as follows:

Average portfolio value for any quarter is equal to the average of the following four values:

1. Portfolio value at beginning of period.
2. Portfolio value at end of month 1.
4. Portfolio value at end of month 2.
5. Portfolio value at end of quarter.

The Management Fee is calculated by multiplying one quarter (1/4) of the Annual Rate by the Average Portfolio Value. All values include cash and accrued interest and are valued according to trade date data delivered by the Custodian. Pursuant to the terms of the Client Agreement, Client shall authorize and direct the Custodian (as defined) (a) to pay to Subadvisor the Management Fee out of the Account upon the Custodian's receipt of a statement therefore from Subadvisor, and (b) to deliver to Client at least quarterly a statement of the amounts disbursed from the Account, including the Management Fee. No increase in the Annual Rate shall be effective without prior written notification.

Orion Portfolio Solutions

ACA charges an annual investment advisory fee based on the total assets under management of 1%. The annual fee may be negotiable. Accounts within the same household may be combined for a reduced fee. Lower fees for comparable services may be available from other sources. OPS does not receive any portion of the advisory fee charged by ACA. The investment management fees charged by Orion Portfolio Solutions are

exclusive of, and in addition to, Advisor's investment advisory fee set forth above. The fees are charged monthly in arrears and are based on the average daily account balance for the period for the prior month.

Fees for OPS services include:

- Administration Fees (reporting and accounting services – ranging from 0.09% - 0.32%),

*Any accounts that are custodied at Fidelity will have an additional 0.05% added to each tier listed above.

- Account Maintenance Fees (\$25 or \$50 per account annually), and
- Strategist Fees (range from 0.0% to 0.20%).
- Separately Managed Account (SMA) Fees (range from 0.35% to 0.70%)

Fees are automatically deducted from the Client's account by OPS; OPS will pay Advisor their portion of the fees. Advisor does not have the ability to directly deduct their advisory fee from the Client account.

Clients may terminate their account within five (5) business days of signing the Investment Advisory Agreement with no obligation. For accounts closed mid-month, ACA will be entitled to a pro rata fee for the days service was provided in the final month. Client shall be given thirty (30) days prior written notice of any increase in fees. Any increase in fees will be acknowledged in writing by both parties before any increase in said fees occurs.

ERISA PLAN SERVICES

The annual fees are based on the market value of the Included Assets and will not exceed 1%. The annual fee is negotiable and may be charged as a percentage of the Included Assets or as a flat fee. Fees may be charged quarterly or monthly in arrears or in advance based on the assets as calculated by the custodian or record keeper of the Included Assets (without adjustments for anticipated withdrawals by Plan participants or other anticipated or scheduled transfers or distribution of assets). If the services to be provided start any time other than the first day of a quarter or month, the fee will be prorated based on the number of days remaining in the quarter or month. If this Agreement is terminated prior to the end of the billing cycle, ACA shall be entitled to a prorated fee based on the number of days during the fee period services were provided or Client will be due a prorated refund of fees for days services were not provided in the billing cycle.

The fee schedule, which includes compensation of ACA for the services is described in detail in Schedule A of the ERISA Plan Agreement. The Plan is obligated to pay the fees, however the Plan Sponsor may elect to pay the fees. Client may elect to be billed directly or have fees deducted from Plan Assets. ACA does not reasonably expect to receive any additional compensation, directly or indirectly, for its services under this Agreement. If additional compensation is received, ACA will disclose this compensation, the services rendered, and the payer of compensation. ACA will offset the compensation against the fees agreed upon under the Agreement.

Betterment Investment Platform

When utilizing the Betterment Investment platform, fees will be billed as follows:

Assets under management	ACA annual fee	Betterment Annual Fee	Total Maximum Annual Fee
\$0-\$500,000	1.75%	.20%	1.95%

\$500,001 - \$1,000,000	1.25%	.20%	1.45%
\$1,00,001 - \$2,000,000	1.00%	.20%	1.20%
\$2,000,001 - \$10,000,000	0.75%	.18%	.93%
\$10,000,001 - \$30,000,00.	0.75%	.16%	.91%
\$30,000,001 - \$100,000,000	0.75%	.14%	.89%
\$100,000,001 and on	0.75%	.12%	.87%

Fees will be prorated and billed monthly in arrears. Fees will be automatically deducted from your account. When utilizing the Betterment Investment platform, our fee will be prorated and billed quarterly in arrears, based on the Client's average daily balance for the prior quarter multiplied by the annual percentage rate as noted in the client agreement. Fees will be automatically deducted from your account. Betterment for Advisors will make quarterly adjustments for deposits and withdrawals in client accounts. As part of this process, you understand and acknowledge the following:

- The custodian makes statements available via the Client portal at least quarterly to Clients showing all disbursements for their account, including the amount of the advisory fees paid to our firm;
- The Client has provided authorization permitting fees to be directly paid by these terms;
- Betterment Institution calculates the advisory fees and deducts them from the Client's account. The fees are based on the end of month balance of their entire account. Client will see the total fee (to include the Betterment for Advisors platform fee of in addition to the annual percentage of assets charged by ACA.
- Betterment collects both their fee and ACA's fee from each Client and remit ACA's portion directly to ACA.

The investment advisory fee will be billed directly to the Custodian, with an informational copy of the invoice to Client. The Custodian will deduct the fee for the Account upon receipt of the invoice, or shortly thereafter. Subsequently the custodian will pay Betterment and ACA. ACA will not be compensated based on the basis of a share of capital gains or capital appreciation of the assets in the Account.

Lower fees for comparable services may be available from other sources. Clients may terminate their account within five (5) business days of signing the Investment Advisory Agreement with no obligation and without penalty. After the initial five (5) business days, the agreement may be terminated by ACA with thirty (30) days written notice to Client and by the Client at any time with written notice to ACA. Client shall be given thirty (30) days prior written notice of any increase in fees. Any increase in fees will be acknowledged in writing by both parties before any increase in said fees occurs.

FINANCIAL PLANNING AND CONSULTING

ACA charges either an hourly fee or a fixed fee based on complexity and unique Client needs for financial planning. Prior to the planning process the Client will be provided an estimated plan fee.

HOURLY FEES

Financial Planning Services are offered based on an hourly fee of \$300 per hour.

FIXED FEES

Financial Planning Services are offered based on a flat fee of no more than \$7,500.

Fees for financial plans are due upon commencement of the Advisory Agreement.

Services are completed and delivered inside of 120 days contingent upon timely delivery of all required documentation. Client may cancel within five (5) business days of signing Agreement with no obligation and without penalty. If the Client cancels after five (5) business days, any unearned fees will be refunded to the Client, or any unpaid earned fees will be due to ACA.

Client Payment of Fees

Fees for asset management services are deducted from a designated Client account to facilitate billing. The Client must consent in advance to direct debiting of their investment account.

Fees for Orion Portfolio Solutions Investment management services are deducted monthly in arrears by OPS, meaning the amount will be deducted from the account after the one-month period has started.

Fees for ERISA services will either be deducted from Plan assets or paid directly to ACA. The Client must consent in advance to direct debiting of their investment account.

Fees for financial plans will be billed to the Client and paid directly to ACA.

Additional Client Fees Charged

Custodians may charge transaction fees other related costs on the purchases or sales of mutual funds, equities, bonds, options and exchange-traded funds. Mutual funds, money market funds and exchange-traded funds also charge internal management fees, which are disclosed in the fund's prospectus. ACA does not receive any compensation from these fees. All of these fees are in addition to the management fee you pay to ACA. For more details on the brokerage practices, see Item 12 of this brochure.

Prepayment of Client Fees

ACA does not require any prepayment of fees of more than \$1,200 per Client and six months or more in advance.

Fees for ERISA 3(21) and/or 3(38) services may be billed in advance.

Fees for financial plans are due, in full, at the commencement of the contract.

If the Client cancels after five (5) business days, any unearned fees will be refunded to the Client, or any unpaid earned fees will be due to ACA.

External Compensation for the Sale of Securities to Clients

ACA does not receive any external compensation for the sale of securities to Clients, nor do any of the investment advisor representatives of ACA.

Item 6: Performance-Based Fees and Side-by-Side Management

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

ACA does not use a performance-based fee structure because of the conflict of interest. Performance based compensation may create an incentive for ACA to recommend an investment that may carry a higher degree of risk to the Client.

Item 7: Types of Clients

Description

ACA generally provides investment advice to individuals, high net worth individuals, corporations and pension plans. Client relationships vary in scope and length of service.

Account Minimums

ACA requires a minimum of \$100,000 to open an account. In certain instances, the minimum account size may be lowered or waived.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods may include fundamental analysis, technical analysis, charting, and cyclical analysis. Investing in securities involves risk of loss that Clients should be prepared to bear. Past performance is not a guarantee of future returns.

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.

Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

Charting analysis strategy involves using and comparing various charts to predict long and short term performance or market trends. The risk involved in using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are twofold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.

Investment Strategy

The investment strategy for a specific Client is based upon the objectives stated by the Client during consultations. The Client may change these objectives at any time by providing written notice to ACA. Each Client executes a Client profile form or similar form that documents their objectives and their desired investment strategy.

Security Specific Material Risks

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks and should discuss these risks with ACA:

- *Market Risk:* The prices of securities in which clients invest may decline in response to certain events taking place around the world, including those directly involving the

companies whose securities are owned by a fund; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency, interest rate and commodity price fluctuations. Investors should have a long-term perspective and be able to tolerate potentially sharp declines in market value.

- *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.
- *Inflation Risk:* When any type of inflation is present, a dollar today will buy more than a dollar next year, because purchasing power is eroding at the rate of inflation.
- *Currency Risk:* Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- *Reinvestment Risk:* This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- *Liquidity Risk:* Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- *Management Risk:* The advisor's investment approach may fail to produce the intended results. If the advisor's assumptions regarding the performance of a specific asset class or fund are not realized in the expected time frame, the overall performance of the client's portfolio may suffer.
- *Equity Risk:* Equity securities tend to be more volatile than other investment choices. The value of an individual mutual fund or ETF can be more volatile than the market as a whole. This volatility affects the value of the client's overall portfolio. Small- and mid-cap companies are subject to additional risks. Smaller companies may experience greater volatility, higher failure rates, more limited markets, product lines, financial resources, and less management experience than larger companies. Smaller companies may also have a lower trading volume, which may disproportionately affect their market price, tending to make them fall more in response to selling pressure than is the case with larger companies.
- *Fixed Income Risk:* The issuer of a fixed income security may not be able to make interest and principal payments when due. Generally, the lower the credit rating of a security, the greater the risk that the issuer will default on its obligation. If a rating agency gives a debt security a lower rating, the value of the debt security will decline because investors will demand a higher rate of return. As nominal interest rates rise, the value of fixed income securities held by a fund is likely to decrease. A nominal interest rate is the sum of a real interest rate and an expected inflation rate.
- *Investment Companies Risk:* When a client invests in open end mutual funds or ETFs, the client indirectly bears their proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, which may be duplicative. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an

underlying fund (such as the use of derivatives). ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value or (ii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. Adviser has no control over the risks taken by the underlying funds in which client invests.

- *Foreign Securities Risk:* Funds in which clients invest may invest in foreign securities. Foreign securities are subject to additional risks not typically associated with investments in domestic securities. These risks may include, among others, currency risk, country risks (political, diplomatic, regional conflicts, terrorism, war, social and economic instability, currency devaluations and policies that have the effect of limiting or restricting foreign investment or the movement of assets), different trading practices, less government supervision, less publicly available information, limited trading markets and greater volatility. To the extent that underlying funds invest in issuers located in emerging markets, the risk may be heightened by political changes, changes in taxation, or currency controls that could adversely affect the values of these investments. Emerging markets have been more volatile than the markets of developed countries with more mature economies.
- *Long-term purchases:* Long-term investments are those vehicles purchased with the intension of being held for more than one year. Typically the expectation of the investment is to increase in value so that it can eventually be sold for a profit. In addition, there may be an expectation for the investment to provide income. One of the biggest risks associated with long-term investments is volatility, the fluctuations in the financial markets that can cause investments to lose value.
- *Trading risk:* Investing involves risk, including possible loss of principal. There is no assurance that the investment objective of any fund or investment will be achieved.

The risks associated with utilizing Sub-Advisors include:

- Manager Risk
 - Sub-Advisor fails to execute the stated investment strategy
- Business Risk
 - Sub-Advisor has financial or regulatory problems
- The specific risks associated with the portfolios of the Sub-Advisor's which is disclosed in the Sub-Advisor's Form ADV Part 2.

Item 9: Disciplinary Information

Criminal or Civil Actions

ACA and its management have not been involved in any criminal or civil action.

Administrative Enforcement Proceedings

ACA and its management have not been involved in administrative enforcement proceedings.

Self-Regulatory Organization Enforcement Proceedings

ACA and its management have not been involved in any self-regulatory organizational enforcement proceedings that are material to a Client's or prospective Client's evaluation of ACA or the integrity of its management.

Item 10: Other Financial Industry Activities and Affiliations

Broker-Dealer or Representative Registration

ACA is not registered as a broker-dealer and no affiliated representatives of ACA are registered representatives of a broker-dealer.

Futures or Commodity Registration

Neither ACA nor its affiliated representatives are registered or have an application pending to register as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

Material Relationships Maintained by this Advisory Business and Conflicts of Interest

ACA has been a certified public accounting firm since 1987. Arnold Castellano Jr is a certified public accountant and tax preparer with Arnold Castellano & Associates, LLC. He spends approximately 75% of his time in this practice. In this role, he receives separate yet typical compensation for his services. From time to time he may offer Clients services from this activity.

These practices represent conflicts of interest because it gives Arnold Castellano Jr an incentive to recommend products based on the compensation received. This conflict is mitigated by disclosures, procedures, and the firm's fiduciary obligation to place the best interest of the clients first and clients are not required to purchase any services. Clients have the option to purchase these services through another accountant or tax preparer of their choosing.

Recommendations or Selections of Other Investment Advisors and Conflicts of Interest

ACA may also utilize the services of a Sub-Advisor to manage Clients' investment portfolios. Sub-Advisors will maintain the models or investment strategies agreed upon between Sub-Advisor and ACA. Sub-Advisors execute all trades on behalf of ACA in Client accounts. ACA will be responsible for the overall direct relationship with the Client. ACA retains the authority to terminate the Sub-Advisor relationship at ACA's discretion.

In addition to the authority granted to ACA, Clients will grant ACA full discretionary authority and authorizes ACA to select and appoint one or more independent investment advisors ("Advisors") to provide investment advisory services to Client without prior consultation with or the prior consent of Client. Such Advisors shall have all of the same authority relating to the management of Client's investment accounts as is granted to ACA in the Agreement. In addition, at ACA's discretion, ACA may grant such Advisors full authority to further delegate such discretionary investment authority to additional Advisors. ACA ensures that before selecting other advisors for Client that the other advisors are properly licensed or registered as an investment advisor.

This practice represents a conflict of interest as ACA may select Sub-Advisors who charge a lower fee for their services than other Sub-Advisors. This conflict is mitigated by disclosures, procedures, and by the fact that ACA has a fiduciary duty to place the best interest of the Client first and will adhere to their code of ethics.

ACA utilizes the services of OPS as described in Items 4 and 5 above. Fees for these services will be based on a percentage of assets under management not to exceed any limit imposed by any regulatory agency. The final fee schedule will be attached to ACA's Investment Advisory Agreement.

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

Code of Ethics Description

The affiliated persons (affiliated persons include employees and/or independent contractors) of ACA have committed to a Code of Ethics ("Code"). The purpose of our Code is to set forth standards of conduct expected of ACA affiliated persons and addresses conflicts that may arise. The Code defines acceptable behavior for affiliated persons of ACA. The Code reflects ACA and its supervised persons' responsibility to act in the best interest of their Client.

One area which the Code addresses is when affiliated persons buy or sell securities for their personal accounts and how to mitigate any conflict of interest with our Clients. We do not allow any affiliated persons to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our Clients.

ACA's policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other affiliated person, officer or director of ACA may recommend any transaction in a security or its derivative to advisory Clients or engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security.

ACA's Code is based on the guiding principle that the interests of the Client are our top priority. ACA's officers, directors, advisors, and other affiliated persons have a fiduciary duty to our Clients and must diligently perform that duty to maintain the complete trust and confidence of our Clients. When a conflict arises, it is our obligation to put the Client's interests over the interests of either affiliated persons or the company.

The Code applies to "access" persons. "Access" persons are affiliated persons who have access to non-public information regarding any Clients' purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to Clients, or who have access to such recommendations that are non-public.

ACA will provide a copy of the Code of Ethics to any Client or prospective Client upon request.

Investment Recommendations Involving a Material Financial Interest and Conflict of Interest

ACA and its affiliated persons do not recommend to Clients securities in which we have a material financial interest.

Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

ACA and its affiliated persons may buy or sell securities that are also held by Clients. In order to mitigate conflicts of interest such as trading ahead of Client transactions, affiliated

persons are required to disclose all reportable securities transactions as well as provide ACA with copies of their brokerage statements.

The Chief Compliance Officer of ACA is Arnold Castellano Jr. He reviews all trades of the affiliated persons each quarter. The personal trading reviews ensure that the personal trading of affiliated persons does not affect the markets and that Clients of the firm receive preferential treatment over associated persons' transactions.

Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest

ACA does not have a material financial interest in any securities being recommended. However, affiliated persons may buy or sell securities at the same time they buy or sell securities for Clients. In order to mitigate conflicts of interest such as front running, affiliated persons are required to disclose all reportable securities transactions as well as provide ACA with copies of their brokerage statements.

The Chief Compliance Officer of ACA is Arnold Castellano Jr. He reviews all trades of the affiliated persons each quarter. The personal trading reviews ensure that the personal trading of affiliated persons does not affect the markets and that Clients of the firm receive preferential treatment over associated persons' transactions.

Item 12: Brokerage Practices

Factors Used to Select Broker-Dealers for Client Transactions

ACA will recommend the use of a particular broker-dealer based on their duty to seek best execution for the client, meaning they have an obligation to obtain the most favorable terms for a client under the circumstances. The determination of what may constitute best execution and price in the execution of a securities transaction by a broker involves a number of considerations and is subjective. Factors affecting brokerage selection include the overall direct net economic result to the portfolios, the efficiency with which the transaction is affected, the ability to effect the transaction where a large block is involved, the operational facilities of the broker-dealer, the value of an ongoing relationship with such broker and the financial strength and stability of the broker. ACA will select appropriate brokers based on a number of factors including but not limited to their relatively low transaction fees and reporting ability. ACA relies on its broker to provide its execution services at the best prices available. Lower fees for comparable services may be available from other sources. Clients pay for any and all custodial fees in addition to the advisory fee charged by ACA. ACA does not receive any portion of the trading fees.

For OPS accounts, ACA does not recommend a broker-dealer to Clients and will use the broker-dealer required by OPS. ACA relies on its broker to provide its execution services at the best prices available. Lower fees for comparable services may be available from other sources. Clients pay for any and all custodial fees in addition to the advisory fee charged by ACA.

ACA will recommend the use of Charles Schwab & Co., Inc. (Schwab) or Betterment Securities. MTG LLC, a FINRA member Broker-Dealer.

- *Research and Other Soft Dollar Benefits*

The Securities and Exchange Commission defines soft dollar practices as arrangement under which products or services other than execution services are obtained by ACA from or through a broker-dealer in exchange for directing Client transactions to the broker-dealer. Although ACA has no formal soft dollar

arrangements, ACA may receive products, research and/or other services from custodians or broker-dealers connected to client transactions or “soft dollar benefits”. As permitted by Section 28(e) of the Securities Exchange Act of 1934, ACA receives economic benefits as a result of commissions generated from securities transactions by the custodian or broker-dealer from the accounts of ACA. ACA cannot ensure that a particular client will benefit from soft dollars or the client's transactions paid for the soft dollar benefits. ACA does not seek to proportionately allocate benefits to client accounts to any soft dollar benefits generated by the accounts.

A conflict of interest exists when ACA receives soft dollars which could result in higher commissions charged to Clients. This conflict is mitigated by the fact that ACA has a fiduciary responsibility to act in the best interest of its Clients and the services received are beneficial to all Clients.

- *Brokerage for Client Referrals*
ACA does not receive client referrals from any custodian or third party in exchange for using that broker-dealer or third party.
- *Directed Brokerage*
Clients who direct brokerage outside our recommendation may be unable to achieve the most favorable execution of client transactions as client directed brokerage may cost clients more money. For example, in a directed brokerage account, you may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or you may receive less favorable prices.

Aggregating Securities Transactions for Client Accounts

ACA is authorized in its discretion to aggregate purchases and sales and other transactions made for the account with purchases and sales and transactions in the same securities for other Clients of ACA. All Clients participating in the aggregated order shall receive an average share price with all other transaction costs shared on a pro-rated basis. If aggregation is not allowed or infeasible and individual transactions occur (e.g., withdrawal or liquidation requests, odd-lot trades, etc.) an account may potentially be assessed higher costs or less favorable prices than those where aggregation has occurred.

Item 13: Review of Accounts

Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved

Account reviews are performed quarterly by the Chief Compliance Officer of ACA, Arnold Castellano Jr. Account reviews are performed more frequently when market conditions dictate. Reviews of Client accounts include, but are not limited to, a review of Client documented risk tolerance, adherence to account objectives, investment time horizon, and suitability criteria, reviewing target allocations of each asset class to identify if there is an opportunity for rebalancing, and reviewing accounts for tax loss harvesting opportunities.

Financial plans generated are updated as requested by the Client and pursuant to a new or amended agreement, ACA suggests updating at least annually.

Review of Client Accounts on Non-Periodic Basis

Other conditions that may trigger a review of Clients' accounts are changes in the tax laws, new investment information, and changes in a Client's own situation.

Content of Client Provided Reports and Frequency

Clients receive written account statements no less than monthly for managed accounts. Account statements are issued by ACA's custodian. Client receives confirmations of each transaction in account from custodian and an additional statement during any month in which a transaction occurs. ACA does not provide additional reports to Clients.

For OPS Fund Choice accounts, Clients receive written account statements no less than quarterly for managed accounts. Account statements are issued by OPS's custodian. Client receives confirmations of each transaction in account from Custodian and an additional statement during any month in which a transaction occurs via the OPS website for \$25/year or via mail for a \$50 annual fee payable to Custodian automatically deducted in monthly amounts from the Client account.

Item 14: Client Referrals and Other Compensation

Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest

ACA receives additional economic benefits from external sources as described above in Item 12.

Advisory Firm Payments for Client Referrals

ACA may enter into agreements with individuals and organizations, which may be affiliated or unaffiliated with ACA, that refer Clients to ACA in exchange for compensation. All such agreements will be in writing and comply with the requirements of Federal or State regulation. If a Client is introduced to ACA by a referring party, ACA may pay that referring party a fee. While the specific terms of each agreement may differ, generally, the compensation will be based upon ACA's engagement of new Clients and is calculated using a varying percentage of the fees paid to ACA by such Clients. Any such fee shall be paid solely from ACA's investment management fee, and shall not result in any additional charge to the Client.

Each prospective Client who is referred to ACA under such an arrangement will receive a copy of this brochure and a separate written disclosure document disclosing the nature of the relationship between the referring party and ACA and the amount of compensation that will be paid by ACA to the referring party. The referring party is required to obtain the Client's signature acknowledging receipt of ACA's disclosure brochure and the written disclosure statement.

Item 15: Custody

Account Statements

All assets are held at qualified custodians, which means the custodians provide account statements directly to Clients at their address of record at least quarterly. Clients are urged to carefully compare the account statements received directly from their custodians to any documentation or reports prepared by ACA.

ACA is deemed to have limited custody solely because advisory fees are directly deducted from Client's accounts by the custodian on behalf of ACA.

Item 16: Investment Discretion

Discretionary Authority for Trading

ACA requires discretionary authority to manage securities accounts on behalf of Clients. ACA has the authority to determine, without obtaining specific Client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold.

ACA allows Clients to place certain restrictions, as outlined in the Client's Investment Policy Statement or similar document. These restrictions must be provided to ACA in writing.

The Client approves the custodian to be used and the commission rates paid to the custodian. ACA does not receive any portion of the transaction fees or commissions paid by the Client to the custodian.

Item 17: Voting Client Securities

Proxy Votes

ACA does not vote proxies on securities. Clients are expected to vote their own proxies. The Client will receive their proxies directly from the custodian of their account or from a transfer agent.

When assistance on voting proxies is requested, ACA will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client. If the Client requires assistance or has questions, they can reach out to the investment advisor representatives of the firm at the contact information on the cover page of this document.

Item 18: Financial Information

Balance Sheet

A balance sheet is not required to be provided to Clients because ACA does not serve as a custodian for Client funds or securities and ACA does not require prepayment of fees of more than \$1,200 per Client and six months or more in advance.

Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients

ACA has no condition that is reasonably likely to impair our ability to meet contractual commitments to our Clients.

Bankruptcy Petitions during the Past Ten Years

ACA has not had any petitions for bankruptcy.

Item 1 Cover Page
SUPERVISED PERSON BROCHURE
FORM ADV PART 2B

Arnold Castellano Jr, CPA, PFS
Arnold Castellano & Associates, LLC

Office Address:

9343 Ellerbe Road, Bldg A
Shreveport, LA 71106

Phone: (318) 683-1040

Fax: (318) 219-5216

Website: www.todaycpa.com

Email: arnie@todaycpa.com

April 24, 2024

This brochure supplement provides information about Arnold Castellano Jr and supplements the Arnold Castellano & Associates, LLC brochure. You should have received a copy of that brochure. Please contact Arnold Castellano Jr if you did not receive the brochure or if you have any questions about the contents of this supplement.

**ADDITIONAL INFORMATION ABOUT ARNOLD CASTELLANO JR (CRD #4490396) IS
AVAILABLE ON THE SEC'S WEBSITE AT WWW.ADVISERINFO.SEC.GOV.**

Brochure Supplement (Part 2B of Form ADV)

Supervised Person Brochure

Principal Executive Officer – Arnold Castellano Jr, CPA, PFS

- Year of birth: 1962
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Item 2 - Educational Background and Business Experience

Educational Background:

- Evangel College; Bachelor of Business Administration in Accounting; 1985

Professional Certifications

Arnold Castellano Jr has earned certifications and credentials that are required to be explained in further detail.

Certified Public Accountant (CPA): A Certified Public Accountant is licensed by their state board of accountancy. While state laws and regulations vary, the education, experience and testing requirements for licensure as a CPA generally include:

- Bachelor's degree from an accredited college or university with a concentration in accounting.
- Minimum experience levels (most states require at least one year of experience providing services that involve the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, all of which must be achieved under the supervision of or verification by a CPA.)
- Successful completion of the CPA Certification Exam.
- Follow a rigorous Code of Professional Conduct which requires they act with integrity, objectivity, due care, competence, and fully disclose conflicts of interest.
- In order to maintain a CPA license, states generally require the completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over a two-year period, or 120 hours over a three-year period).

Personal Financial Specialist (PFS): Personal Financial Specialist (PFS) is a specialty credential awarded by the American Institute of Certified Public Accountants (AICPA). The requirements are:

- Obtain and hold an unrevoked CPA License.
- Join the AICPA and be a member in good standing.
- Complete comprehensive PFP Education; a minimum of 80 hours of personal financial planning education within the five-year period preceding the date of the PFS application.
- Attain a specified level of PFP Experience; must have two years of full-time business or teaching experience (or 3,000 hours equivalent) in personal financial planning within the five-year period preceding the date of the PFS application.
- Pass a PFP Examination.
- Adhere to AICPA's Code of Professional Conduct.
- Upon approval, the candidate will become a member of an exclusive community of CPA financial planners: The PFS credential holder. Initial certification is good for a three-year period.

- To maintain the PFS credential, the recipient must complete 60 hours of financial planning CPE credits every three years.

Business Experience:

- Arnold Castellano & Associates, LLC; Chief Compliance Officer/Investment Advisor Representative; 01/2002-Present
 - Arnold Castellano & Associates, LLC; President; 07/1987-Present
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Item 3 - Disciplinary Information

- A. Arnold Castellano Jr has never been involved in a criminal or civil action in a domestic, foreign or military court of competent jurisdiction for which he:
1. Was convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) misdemeanor that involved investments or an investment-related business, fraud, false statement or omissions, wrongful taking of property, bribery, perjury, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;
 2. Is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;
 3. Was found to have been involved in a violation of an investment-related statute or regulation; or
 4. Was the subject of any order, judgement or decree permanently or temporarily enjoining, or otherwise limiting, him from engaging in any investment related activity, or from violating any investment-related statute, rule, or order.
- B. Arnold Castellano Jr never had an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which he:
1. Was found to have caused an investment-related business to lose its authorization to do business; or the subject of an order by the agency or authority;
 2. Was found to have been involved in a violation of an investment-related statute or regulation or was the subject of an order by the agency or authority
 - (a) denying, suspending or revoking the authorization of the supervised person to act in an investment-related business; (b) barring or suspending his association with an investment-related business; (c) otherwise significantly limiting his investment-related activities; or (d) imposing a civil money penalty of more than \$2,500 on him.
- C. Arnold Castellano Jr has never been the subject of a self-regulatory organization (SRO) proceeding in which he:
1. Was found to have caused an investment-related business to lose its authorization to do business; or
 2. Was found to have been involved in a violation of the SRO's rules and was: (a) barred or suspended from membership or from association with other members, or was expelled from membership; (b) otherwise significantly limited from investment-related activities; or (c) fined more than \$2,500.

- D. Arnold Castellano Jr has not been involved in any other hearing or formal adjudication in which a professional attainment, designation, or license of the supervised person was revoked or suspended because of a violation of rules relating to professional conduct.
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Item 4 - Other Business Activities

Arnold Castellano Jr is a certified public accountant and tax preparer with Arnold Castellano & Associates, LLC. He spends approximately 75% of his time in this practice. In this role, he receives separate yet typical compensation for his services. From time to time he may offer Clients services from this activity.

These practices represent conflicts of interest because it gives Arnold Castellano Jr an incentive to recommend products based on the compensation received. This conflict is mitigated by disclosures, procedures, and the firm's fiduciary obligation to place the best interest of the clients first and clients are not required to purchase any services. Clients have the option to purchase these services through another accountant or tax preparer of their choosing.

Item 5 - Additional Compensation

Arnold Castellano Jr receives compensation for providing accounting and tax services. He does not receive any performance-based fees and does not receive any additional compensation for performing advisory services other than what is described in Item 5 of Part 2A.

Item 6 - Supervision

Since Arnold Castellano Jr is the sole owner and Chief Compliance Officer of ACA and is solely responsible for all supervision and formulation and monitoring of investment advice offered to Clients. He will adhere to the policies and procedures as described in the firm's Compliance Manual. He can be reached at (318) 683-1040 or arnie@todaycpa.com.

A.