



AMERICAN WEALTH MANAGEMENT

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This brochure provides information about the qualifications and business practices of

**AMERICAN WEALTH MANAGEMENT, INC. (AWM)**

CRD# 25536 SEC# 801-66163

If you have any questions about the contents of this Brochure, please contact us

at 770-392-8740 or 1-800-633-4613 or [jerryborzello@awminc.biz](mailto:jerryborzello@awminc.biz)

*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. AMERICAN WEALTH MANAGEMENT, INC is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. Additional information about AMERICAN WEALTH MANAGEMENT, INC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)*

## Item 2- Material Changes

### Material Changes Description and Availability:

This item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. The last update to the Brochure was on 3/28/2023.

Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business fiscal year and within 60 days of any substantive change to the firm or the information contained in the current Brochure.

Each client will receive a new Brochure as necessary based on changes or new information, or clients may request one at any time, without charge. Our Brochure may be requested by contacting Jerome A Borzello, President at 770392-8740/ 1-800-633-4613 or [jerryborzello@awminc.biz](mailto:jerryborzello@awminc.biz). Our Brochure can also be downloaded through our website [www.awminc.biz](http://www.awminc.biz), also free of charge.

Additional information about AMERICAN WEALTH MANAGEMENT, INC. is also 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 AMERICAN WEALTH MANAGEMENT, INC. who are registered, or are required to be registered, as Investment Adviser Representatives (IAR) of AMERICAN WEALTH MANAGEMENT, INC.

### Summary of Material Changes:

- **Updated Client Relationship Summary (Form CRS)**

In March 2023, AWM updated its Form CRS to comply with the disclosure requirements of the SEC and FINRA rules, regulations, and standards. Each retail client of AWM, brokerage or advisory, will receive an updated Form CRS along with a copy of this Material Changes page and an additional disclosure highlighting the specific changes that were made to the Form CRS.

The following changes were made to the AWM Form CRS:

- In the most recent version dated 2023, AWM changed the order in which some disclosure items appeared in Form CRS, and specifically Items 3A and 3B, in accordance with the General Instructions for Form CRS (1.B.) as required by the Rules of the SEC.
- AWM removed a previous disclaimer from Form CRS that was not required or permitted by the Form CRS instruction or disclosure Items.
- Included a disclosure, with emphasis, addressing standards of conduct when we provide recommendations subject to Regulation Best Interest as a broker/dealer, as follows:
  - *When we provide you with a recommendation as your broker dealer or act as your investment adviser, we have to act in your best interest and not put our interests ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations and investment advice we provide you.*
- The most recent version of Form CRS was amended to reflect the disciplinary history of its owners and financial professionals including both regulatory matters and financial disclosures to mirror previous disclosures made on past versions of the AWM Form ADV.

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## Item 4- Advisory Business

The Registrant, AMERICAN WEALTH MANAGEMENT, INC. (AWM), provides comprehensive advisory services for its clients. Jerome A. Borzello is the President and owner of AWM. He registered AWM as an advisory firm with the SEC in 1994. AWM may provide any number of advisory services including, but not limited to, asset management, portfolio analysis, asset allocation and financial planning. AWM assists clients in striving to achieve their individual investment objectives in a cost-effective manner from either a tactical and strategic strategy over an entire market cycle or cycles. To this end, AWM is committed to a fee-approach for advisory services.

AWM participates in two wrap fee programs (the Ambassador and Opportunity Accounts) offered through the Firm's clearing firm Raymond James and Associates. With the wrap fee account the expenses to the client are all inclusive and AWM gets a portion of the total fee charged to the client. With all other AWM Fee accounts the firm receives a fee agreed upon in the client's fee agreement Schedule "A". All other expenses are separately charged to the client. [See Item 5- Fees and Compensation for other expenses]

**As of March 31, 2024, AWM managed approximately \$216,682,756.00 in client assets on a discretionary basis and \$835,623 on a non-discretionary basis in 873 accounts.**

Clients may impose or modify restrictions on AWM regarding specific securities or types of securities that can be purchased for their accounts.

## Item 5- Fees and Compensation

AWM is compensated for advisory services on a fee basis based on the total value of the assets under management at the start of the contract period pro rata based on the number of days remaining in the current quarter. Thereafter, the fee is based on the total value of the assets at the end of the previous quarter of the contract period (excluding any exempt assets). Fee Schedule "A" is part of the ADV and states the Firm's fee schedule. AWM's basic fee structure for all managed accounts range from ~1% to 2% annual fee paid quarterly of the account value at the end of the quarter (excluding any exempt assets). Fees are negotiable depending upon the scope and complexity of the particular circumstances of each client.

Fees are paid quarterly in advance. If management services begin after the start of the quarter, fees will be prorated according to the time remaining in the quarter. All fees paid to AWM for advisory services are separate and distinct from all the expenses charged by the client's custodian or outside 3<sup>rd</sup> party manager.

Refunds or Termination: The client can terminate this agreement within five (5) business days from the date of acceptance without penalty. Thereafter, in the event of termination of the client's account, the client will be refunded the prorated portion of the fee for the quarter of termination. Either AWM or the client may terminate this agreement upon written notice.

The specific manner in which fees are charged by AWM is established in the client's written agreement Schedule "A". Clients will be billed in advance each calendar quarter. Clients may also elect to be billed directly for fees or to authorize AWM to directly debit fees from client accounts. Clients will be either billed by separate invoice or the client's quarterly account statement will describe the fees charged and serve as the client's invoice. Management fees shall not be prorated for each capital contribution and withdrawal made during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of a client's account, any prepaid, unearned fees will be promptly refunded to the Client and any earned, unpaid fees due AWM will become payable.

AWM's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. The client may incur certain charges imposed by custodians, brokers, third party investment managers and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and ETFs (exchange-traded funds) also charge internal management fees, which are disclosed in the fund's prospectus. Such charges, fees, and commissions are exclusive of and in addition to AWM's fee, and AWM does not receive any compensation from any of the aforementioned commissions, fees, and other charges.

AWM's supervised persons do not sell or recommend securities or other investment products for compensation typically referred to as "commissions". Only when there is a new issue security that has a selling concession and the client is aware of the compensation and agrees to the purchase can a supervised person receive such compensation. If such a security is purchased for the client it will be excluded from the client's total assets for one year when calculating the client's fee (exempt asset). AWM feels that this procedure eliminates any conflict of interest.

Mutual fund purchases will be no-load, load-waived, or New Asset Value (NAV) purchases. Item 12 further describes the factors that AWM considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

## Item 6- Performance- Base Fees

AWM does not charge any performance-based fees (fees based on the share of capital gains or capital appreciation of the client's assets).

## Item 7- Types of Clients

AWM provides portfolio management services to individuals, high net worth individuals, corporate pension, and profit-sharing plans, charitable institutions, foundations, endowments, and other U.S. institutions. AWM generally has a minimum account size of \$100,000.00 but account size can be negotiated depending on the client's individual circumstances.

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

AWM's methods of analysis and investment strategies consist of a variety of disciplines: Methods of analysis and sources of information are micro and macro-economic information, charting services, fundamental analysis, and technical analysis. This is incorporated with sources of information such as financial periodicals, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, SEC filing and company press releases. Together, these form the foundation of AWM's investment strategy.

This information provides the basis for implementing an investment strategy to meet the client's individual investment objective. Investment strategies will vary depending on the client; therefore, any one or all the methods of analysis may be used for a particular strategy. The following are investment strategies provided by AWM. Long term purchase (securities held at least a year), Short term purchases (securities sold within a year), trading (securities bought and sold within 30 Days), margin transactions and option writing, including covered calls and options used for hedging purposes. Anyone of these strategies or all may be used. Which strategy will be used is contingent upon the individual client's Investment Objective.

Investing in securities, both equities and fixed income, either long term or short term, have associated risks the client must be aware of. Some but not all the risks are company specific risks, market risk, credit risk and interest rate risk. Margin investing has the same aforementioned risks plus debt risk a client has when they borrow money from their brokerage firm. Option investing has all the above specific risks as the company in which the particular options contract represents. The risks unique with options are the time value of money and the expiration of the contract over a specified period of time. (Options are a finite contract and can expire worthless). When options are used the client will receive the options brochure "Characteristics and Risks of Standardized Options" and any current amendments. All Clients must understand and be prepared for losses when investing in securities.

## Item 9- Disciplinary Information

Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the client's evaluation of AWM or the integrity of AWM's management. AWM has no information applicable to this Item.

## Item 10- Other Financial Industry Activities and Affiliations

AWM the Advisory has an affiliate relationship with AWM the broker and dealer (B/D). AWM spends ~25% of its time as a securities broker conducting transaction for clients and being compensating by commissions. AWM the B/D avoids all conflict of interests between AWM the Advisory and AWM the B/D. AWM the Advisory and AWM the B/D have clearing and custodian relationships with Raymond James and Associates. AWM the Advisory can execute trades for the client's account through AWM the B/D if commissions and executions are competitive with those available with other firms. TD Ameritrade Institutional (TDA) acts as custodian for AWM fee base accounts. With the various custodians available through AWM, the client gets several very competitive options. In addition, a client will receive the most cost effective and efficient service from the clearing and custodian relationship available through AWM and that is Raymond James and Associates or TD Ameritrade Institutional. The client may be charged clearing and/or custodian charges by these firms but AWM the Advisory, AWM the B/D and all associates of AWM will not receive or participate in any compensation from these charges.

Clients that use Raymond James as their custodian for trade execution will only be charged the clearing charge vs a commission. Raymond James will charge the client clearing charges.

AWM is registered as a Broker-Dealer and the firm may from time to time buy or sell securities that it also recommends to its clients. AWM or its associates may buy or sell securities or other investment products for themselves and recommend them to AWM clients. However, AWM or its associates can never on the same day get a price better than the client.

## Item 11- Code of Ethics

AWM has a Code of Ethics that sets the standard for all associates to work with clients in a way that is appropriate and acceptable with respect to the advice and services provided. At all times associates will avoid any conflicts of interests with their clients.

AWM has adopted a Code of Ethics for all supervised persons and associates of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of the client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal

securities trading procedures, among other things. All supervised persons and associates at AWM must acknowledge the terms of the Code of Ethics annually, as amended.

AWM anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which AWM has management authority to effect and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which AWM, its affiliates and/or clients, directly or indirectly, have a position of interest. AWM's associates with AWM are required to follow AWM's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors, and associates of AWM and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for AWM's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities, and interest of the associates of AWM will not interfere with (i) making decision in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing associates to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions and restrict trading in close proximity to the client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit associates to invest in the same securities as clients, there is a possibility that associates might benefit from market activity by a client in a security held by an associate. Associates might benefit from market activity by a client in a security held by an associate. Associates' trading is reasonably monitored under the Code of Ethics, and to help prevent conflicts of interest between AWM and its clients.

AWM's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Gavin Borzello 770-392-8741 or [gavinblorzello@awminc.biz](mailto:gavinblorzello@awminc.biz).

It is AWM's policy that the firm will not affect any principal or agency across securities transactions for its client accounts or execute cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells a security to any advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer, AWM does not conduct an agency cross transactions between clients or AWM the B/D. These procedures eliminate any conflict of interest.

## Item 12- Brokerage Practices

AWM does not use the client's brokerage commissions to obtain research or other products and services. The client WILL NOT pay commissions (or markups or markdowns) in return for soft



dollar benefits. AWM does not direct client transactions to any particular broker/dealer in return for any soft dollar benefits. The client can recommend their own broker/dealer to be custodian but AWM believes the most cost effective relationship for the client is with AWM's two clearing arrangements (see item 10). AWM does not select or recommend broker/dealers based on receiving client referrals. When a client directs brokerage transactions away from AWM's clearing or custodian relationships the client may not receive the best execution and pay higher transactions costs.

AWM will use block trades or aggregate trades when it is in the best interest of the client. Block trades or aggregate trades are used to reduce some of the associated costs to the client. If a trade is only partially filled the trade will be prorated to clients based on size of the client's original order and any of AWMs associates' trades must step aside until the original order is filled. This eliminates any conflict of interest.

### Item 13- Review of Account

AWM monitors activity in client's accounts approximately every 14 to 21 days. This is conducted by the Chief Compliance Officer or his designated associate to primarily observe for any conflict of interest between client and Advisor. Advisors are responsible for all activity with the client's account, and they will monitor the client's accounts daily. At a minimum, Advisors will review their accounts monthly for administrative accuracy and client performance relative to the client's investment objective. Each Advisor is responsible to report any problems or inaccuracies to the Compliance Officer. The client's custodian will provide monthly statements to the client except when the client requests to have statements sent less frequent. The client will receive, at a minimum, a quarterly statement from the custodian providing a breakdown of all the account activity and fees. This statement will act as the client's invoice for advisory fees charged per the client fee agreement. The client is responsible to review their statement for its accuracy and must report any discrepancies to the Advisor managing the account or AWM's Compliance Officer. AWM does not provide account statements to clients. [See item 15]

### Item 14- Client Referrals and Other Compensation

AWM does not rely on someone who is not a client for investment advice, referrals, or other advisory services to its clients for economic benefit.

### Item 15- Custody

Clients will receive a quarterly statement from their custodian. Clients are responsible to review this statement for its accuracy. AWM does not provide account statements to clients. Clients

will only receive account statements from their designated custodian or clearing firm. If the client receives statements from a source other than their custodian/clearing firm, they should IMMEDIATELY notify AWMs Compliance Officer. AWM does not maintain custody of any client funds or securities. All client accounts are held at a third-party qualified custodian registered in the client's name.

### Item 16- Investment Discretion

When a client authorizes full discretion in their fee agreement this allows AWM to have full discretion to make decisions as to what securities and the amount of securities to be bought and sold. When AWM selects securities and determines the amount to be purchased AWM must observe the client's investment policies, limitation and restrictions. This will only be done in allocating funds to meet the client's investment objective. However, full discretion at no time shall allow AWM or any associate to receive, retain or physically control any cash, securities, or other assets forming any part of the client's account except when authorized in writing by the client.

### Item 17- Financial Planning Fee

A Financial plan is a comprehensive evaluation of the investor's current and future financial state by using currently known variables to predict future cash flows, asset values, and withdrawal plans. The financial plan uses the client's current net worth, tax liabilities, asset allocation, and future retirement and estate plans in developing a financial plan. This information along with estimates of asset growth determine if a client's financial goals can be met in the future, or what steps need to be taken to ensure that they are.

Fees will be based on the level of planning required by the client. Fees can range from \$500-\$5000 as stated in the Advisory Agreement. The client and adviser will mutually determine the client's fee based on the complexity of the client's financial plan.

### Item 18- Voting Client Securities

AWM does not vote proxies for clients.

### Item 19- Financial Information

Not applicable.