



Item 1. Cover Page

# Form ADV Part 2A Brochure and Form ADV Part 2B Brochure Supplement

March 2024

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This brochure provides information about the qualifications and business practices of VESTA Wealth Management, LLC (hereinafter “VWM” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm’s President and Chief Compliance Officer, Daniele Ghiotti, at the telephone number listed below. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Registration does not imply any level of skill or training.

## Item 2. Material Changes

This updated Form ADV Part 2A contains the following changes from the prior version:

- Updated the “Assets Under Management” in Part 2A, Item 4.

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#### Item 4. Advisory Business

Registration Status:	Registered with the SEC as of August 2018 <sup>1</sup>
Principal Owner:	Daniele Ghiotti
<b>Assets Under Management:</b>	<b>Total: \$281,018,378</b>
(As of December 31, 2023)	Discretionary Assets – \$155,554,093
	Non-discretionary Assets – \$125,464, 285

VESTA Wealth Management, LLC is a limited liability company, organized in the State of Florida, on March 25, 2013 (“VWM” or the “Firm”). While this brochure describes the business of VWM, certain sections also discuss the activities of its supervised persons, which refer to the Firm’s supervised persons who provide investment advice and client services on VWM’s behalf and are subject to the Firm’s supervision or control. The Firm believes that all material conflicts of interest under applicable law regarding the Firm and its supervised persons which could be reasonably expected to impair the rendering of unbiased and objective advice are disclosed in this brochure.

VWM offers a variety of advisory services, which include financial planning, financial consulting, and investment management services. Prior to the rendering of any of the foregoing advisory services, clients are required to enter into one or more written engagement agreements with VWM setting forth the relevant terms and conditions of the advisory relationship.

##### Financial Planning and Consulting Services

VWM offers clients a range of financial planning and consulting services, which include:

Business Planning. Distribution of cash allocations between personal and business investments; selection of suitable corporate structure with input from legal counsel; divestiture and expansion strategies.

Loan Needs Analysis. Selection of a suited borrowing strategy and instruments, including mortgages, business loans, personal credit lines, margin loans; negotiation of margin rates with custodians on behalf of clients; management of account margin; matching loan repayments and expected cash flows.

Cash Flow Forecasting. Perform holistic analysis of in-house, as well as external cash-generating investments; scenario analysis to match spending and cash income; selection of investment vehicles to balance income generation versus total return over investment horizon.

Tax Planning. Working with client’s tax advisor to select potential account structures (such as joint vs individual; selection of one of various types of trusts and so on) to minimize tax liability; timing sales of securities with unrealized gains or losses to shift tax burden to the appropriate tax period; location of securities to taxable and tax deferred accounts of a given household to reduce tax burden, without compromising total portfolio allocation.

Retirement Planning. Income and spending projections, combined with macroeconomic scenario analysis, to plan for clients’ lifestyle during their retirement years; advice on employer stock options, grants, and other investment vehicles to avoid overconcentration in one asset, without forgoing financial benefits conferred by employer.

Estate Planning. Facilitation of design of an appropriate estate plan in support of the client’s estate attorney, to minimize estate taxes and legal complication at the time of inheritance; analysis of inheritors’ financial needs and income projections to assess financial resources available to the next generation.

Insurance Needs Analysis. Analysis of insurance needs and selection of insurance policy for the client;

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<sup>1</sup>“Registration” means only that the Firm meets the minimum requirements for registration as an investment advisor and does not imply a certain level of skill or training or that the SEC or other regulator guarantees the quality of our services or recommends them.

integrating insurance policy proceeds into the broad financial plans and projections.

Education Planning. Opening of 529 college savings plan accounts; advising clients on funding strategies of such accounts to take advantage of tax savings; management of assets held in the 529 accounts.

VWM may recommend the services of itself, its *Supervised Persons* in their individual capacities as insurance agents and/or other professionals to implement its recommendations. VWM has a conflict of interest if clients engage VWM to provide additional fee-based services. A conflict of interest exists when the Firm recommends its own services to implement any of its recommendations, and, as such; Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by VWM or effect a recommended transaction through the Firm under a stand-alone financial planning or consulting engagement or to engage the services of any such recommended professionals, including VWM itself. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising VWM's previous recommendations and/or services.

#### Investment Management and Wealth Management Services

VWM manages client investment portfolios on a discretionary basis. In addition, VWM may provide clients with wealth management services which include a broad range of comprehensive financial planning and consulting services as well as discretionary management of investment portfolios.

VWM primarily allocates client assets among various mutual funds, exchange-traded funds ("ETFs"), individual debt and equity securities.

Clients may also engage VWM to advise on certain investment products that are "held away" or not maintained at their primary custodian under a separate fee schedule ("*Outside Custodian Fee Schedule*"), such as variable life insurance and annuity contracts and assets held in employer-sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, VWM directs or recommends the allocation of client assets among the various investment options available with the product. These assets are typically maintained at the underwriting insurance company or the custodian designated by the product's provider.

VWM tailors its advisory services to meet the needs of its individual clients and continuously seeks to ensure that client portfolios are managed in a manner consistent with their specific investment profiles. VWM consults with clients on an initial and ongoing basis to determine their specific risk tolerance, time horizon, liquidity constraints and other qualitative factors relevant to the management of their portfolios. Clients are advised to promptly notify VWM if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. During the client onboarding process, Clients may request to impose reasonable restrictions or mandates on the management of their accounts if VWM determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

#### **Fiduciary Status**

When VWM provides investment advice to you regarding your investment accounts, including your retirement plan account or individual retirement account, we are fiduciaries within the meaning of certain state and federal laws such as the Employee Retirement Income Security Act and/or the Internal Revenue Code and the regulations of the U.S. Securities and Exchange Commission, as applicable. These regulations require us to act in your best interest and not put our interest ahead of yours.

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

VWM offers its services on a fee basis, which may include hourly and/or fixed fees, as well as fees based upon assets under management or advisement. Additionally, certain of VWM's *Supervised Persons*, in their individual capacities, may offer insurance products under a separate commission arrangement. Lower fees for comparable services may be available from other sources.

### Financial Planning and Consulting Fees

VWM typically charges either a negotiable hourly and/or fixed fee to provide clients with stand-alone financial planning or consulting services. These fees are largely determined by the scope and complexity of the agreed upon services and **range from \$200 to \$1,500 on an hourly basis and \$10,000 to \$50,000 on a fixed fee basis.**

The specific terms and fee structure are negotiated in advance and set forth in the *Agreement* with VWM. Typically, VWM requires one-half of the financial planning or consulting fee payable upon execution of the *Agreement* and the balance due at the time the financial plan is delivered or the underlying services are rendered to completion. The Firm does not accept prepayment of fees of more than \$500 six months or more in advance. In the event the *Agreement* is terminated, the fee is prorated through the effective date of the termination and the outstanding balance is charged or refunded to the client, as appropriate. The *Agreement* may be terminated at any time upon receipt of written notice to terminate given by either party to the other.

### Methods of Payment for Financial Planning and Consulting Fees

Clients pay the fees for stand-alone financial planning and consulting services via check or wire transfer. In the event of a wire transfer, the Firm does not have the ability to execute such wire transfers as the clients must initiate them.

As described below, VWM may provide financial planning and consulting services in conjunction with investment management services as part of a comprehensive wealth management engagement. Under a comprehensive wealth management agreement, the fees for financial planning and consulting services are included in the asset-based investment management fees (fee schedules below).

### Investment Management and Wealth Management Fees

VWM provides investment management services for an annual fee based on the amount of assets under the Firm's management, which may include a broad range of financial planning and consulting services in conjunction with investment management services as part of a comprehensive wealth management engagement. The fee varies between 20 and 200 basis points (0.20% – 2.00%), depending upon the size of a client's portfolio and the type of services rendered.

The annual fee is prorated and charged quarterly in advance, based upon the market value of the assets being managed by VWM on the last day of the previous quarter. Wealth management fees are deducted and paid to VWM directly by the client's custodian upon invoicing by VWM. VWM provides clients with duplicate fee invoices describing the amounts debited for payment of the firm's management fees, in accordance with applicable state laws, rules and regulations.

If assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is prorated to reflect the change in portfolio value. For the initial term of an engagement, the fee is calculated on a *pro rata* basis. In the event the *Agreement* is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding balance is refunded to the client, as appropriate. The *Agreement* may be terminated at any time upon receipt of written notice to terminate given by either party to the other. The client's notice should include instruction as to whether the assets should be liquidated or transferred.

### Fee Discretion

VWM, in its sole discretion, may negotiate to charge a different fee with a client based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationship, account retention and *pro bono* activities.

### Use of Margin

VWM may be authorized to use margin in the management of the client's investment portfolio. In these cases, the fee payable will be assessed gross of margin such that the market value of the client's account and corresponding fee payable by the client to VWM will be increased.

### Additional Fees and Expenses

In addition to the advisory fees paid to VWM, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks, and other financial institutions (collectively "*Financial Institutions*"). VWM's fees are calculated exclusive of any fees or charges imposed by any Financial Institution, and the Firm does not receive a portion of these additional charges. These additional charges may include securities brokerage commissions, transaction fees, custodial fees, charges imposed directly by a mutual fund or

ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), 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. Clients have the option to purchase investment products the Firm recommends through other brokers or agents that are not affiliated with the Firm. The Firm's brokerage practices are described at length in Item 12, below.

### Fee Debit from Investment Account

Clients typically provide VWM with the authority to directly debit their accounts for payment of the Firm's investment advisory fees. The *Financial Institutions* that act as qualified custodian for client accounts have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to VWM. As may be required by applicable state securities laws, VWM also sends clients an itemized summary detailing the advisory fees deducted from their accounts.

### Account Additions and Withdrawals

Clients may make additions to and withdrawals from their account at any time. VWM designs its portfolios as long-term investments, and the withdrawal of assets may impair the achievement of a client's investment objectives. VWM may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (i.e., contingent deferred sales charge) and/or tax ramifications.

## **Item 6. Performance-Based Fees and Side-by-Side Management**

VWM does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

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

VWM currently provides its services to individuals and high net worth individuals. The Firm also seeks to provide its services to trusts, estates, charitable organizations, corporations, and other business entities.

Minimum Portfolio Size:

**As a condition for starting and maintaining an investment management relationship, VWM typically imposes a minimum portfolio size of \$10,000,000.**

The Firm, in its sole discretion, may accept clients with smaller portfolios based upon certain criteria, such as

anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationships, account retention and *pro bono* activities.

VWM only accepts clients with less than the minimum portfolio size if, in the sole opinion of the Firm, the smaller portfolio size will not result in a substantial increase of investment risk beyond the client's identified risk tolerance. VWM may aggregate the portfolios of family members to meet the minimum portfolio size.

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

### Methods of Analysis

VWM primarily utilizes fundamental analysis but may also employ cyclical methods of analysis.

Fundamental analysis involves an evaluation of the fundamental financial condition and competitive position of a particular fund or issuer. For VWM, this process typically involves an analysis of an issuer's management team, investment strategies, style drift, past performance, reputation, and financial strength in relation to the asset class concentrations and risk exposures of the Firm's model asset allocations. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, evolving market conditions may negatively impact the security.

Cyclical analysis involves the assessment of market conditions at a macro (entire market or economy) or micro (company specific) level, rather than focusing on the overall fundamental analysis of the health of the company that VWM is recommending. A substantial risk in relying upon cyclical analysis is that spotting past trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that VWM will be able to accurately predict such a reoccurrence.

### Investment Strategies

The Firm employs strategies that address two objectives: risk-adjusted growth and income and asset protection. As such VWM has devised model portfolios that balance the sometimes-competing interests of these two disparate objectives. The asset classes that these model portfolios are comprised of include equity, fixed income, and commodities.

### Risks of Loss

General Risk of Loss. These methods, strategies and investments involve risk of loss to clients and clients must be prepared to bear the loss of their entire investment.

Market Risks. The profitability of a significant portion of VWM's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that VWM will be able to predict those price movements accurately.

Mutual Funds and ETFs. An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are typically distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ



significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Typically, ETF shares trade at or near their most recent NAV, which is typically calculated at least once daily for indexed based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their *pro rata* NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Typically, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

*Options.* Options allow investors to buy or sell a security at a contracted strike price (not necessarily the current market price) at or within a specific period. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge against potential losses or to speculate on the performance of the underlying securities. Option transactions involve inherent risks, including the partial or total loss of principal if the value of the underlying security or index does not increase or decrease to the level of the respective strike price. Holders of option contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

*Use of Private Collective Investment Vehicles.* VWM recommends that certain clients invest in privately placed collective investment vehicles (e.g., hedge funds, private equity funds, etc.). The managers of these vehicles have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. Hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there may be less regulation. There are numerous other risks in investing in these securities. Clients should consult each fund's private placement memorandum and other offering documents explaining such risks prior to investing.

*Management Through Similarly Managed "Model" Accounts.* VWM manages certain accounts using similarly managed "model" portfolios, whereby the Firm allocates all or a portion of its clients' assets among various mutual funds and/or securities on a discretionary basis using one or more of its proprietary investment strategies.

The strategy used to manage a model portfolio may involve an above average portfolio turnover that could negatively impact clients' net after tax gains. While the Firm seeks to ensure that clients' assets are managed in a manner consistent with their individual financial situations and investment objectives, securities transactions effected pursuant to a model investment strategy are usually done without regard to a client's individual tax ramifications. Clients should contact VWM if they experience a change in their financial situation or if they want to impose reasonable restrictions on the management of their accounts.

*Use of Margin.* To the extent that a client authorizes the use of margin and margin is thereafter employed by VWM in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to VWM will be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential conflict of interest whereby the client's decision to employ margin shall correspondingly increase the management fee payable to VWM. Accordingly, the decision as to whether to employ margin is left totally to the discretion of client.

While the use of margin borrowing can substantially improve returns, it may also increase overall portfolio risk. Margin transactions are typically executed using capital borrowed from a *Financial Institution*, which is secured by a client's holdings. Under certain circumstances, a lending *financial institution* may demand an increase in the underlying collateral. If the client is unable to provide the additional collateral, the *Financial Institution* may liquidate account assets to satisfy the client's outstanding obligations, which could have extremely adverse consequences. In addition, fluctuations in the amount of a client's borrowings and the corresponding interest rates may have a significant effect on the profitability and stability of a client's portfolio.



**Interest Rate Risk.** Interest rate risk is the possibility that a fixed-rate debt instrument will decline in value because of a rise in interest rates. Whenever investors buy securities that offer a fixed rate of return, they are exposed to interest rate risk. This is true for bonds and for preferred stocks.

**Business Risk.** Business risk is the measure of risk associated with a particular security. It is also known as unsystematic risk and refers to the risk associated with a specific issuer of a security. Generally speaking, businesses in the same industry have similar types of business risk. But more specifically, business risk refers to the possibility that the issuer of a stock or a bond may go bankrupt or be unable to pay the interest or principal in the case of bonds.

**Credit Risk.** This refers to the possibility that a particular bond issuer will not be able to make expected interest rate payments and/or principal repayment. Typically, the higher the credit risk, the higher the interest rate on the bond.

**Taxability Risk.** This applies to municipal bond offerings and refers to the risk that a security that was issued with tax-exempt status could potentially lose that status prior to maturity. Since municipal bonds carry a lower interest rate than fully taxable bonds, the bond holders would, in such a case, realize a lower after-tax yield than originally planned.

**Call Risk.** Call risk is specific to bond issues and refers to the possibility that a debt security will be called prior to maturity. Call risk is closely related to reinvestment risk, discussed below, because the bondholder must find an investment that provides the same level of income for equal risk. Call risk is most prevalent when interest rates are falling, as companies trying to save money will usually redeem bond issues with higher coupons and replace them on the bond market with issues with lower interest rates. In a declining interest rate environment, the investor is usually forced to take on more risk to replace the same income stream.

**Inflationary Risk.** Inflationary risk is the chance that the value of an asset or income will be eroded as inflation shrinks the value of a country's currency. This is the risk that future inflation will cause the purchasing power of cash flow from an investment to decline.

**Liquidity Risk.** Liquidity risk refers to the possibility that an investor may not be able to buy or sell an investment as and when desired or in sufficient quantities because opportunities are limited.

**Market Risk.** Market risk, also called systematic risk, is a risk that will affect all securities in the same manner. Such a risk is caused by some factor that cannot be controlled by diversification. Events, usually unforeseeable, that impact the financial fortunes of most corporations in a nation or around the globe, are the main reason for market risk.

**Reinvestment Risk.** In a declining interest rate environment, bondholders who have bonds coming due or being called face the difficult task of investing the proceeds in bond issues with equal or greater interest rates than the redeemed bonds. As a result, they are often forced to purchase securities that do not provide the same level of income, unless they take on more credit or market risk and buy bonds with lower credit ratings. This situation is known as reinvestment risk: it is the risk that falling interest rates will lead to a decline in cash flow from an investment when its principal and interest payments are reinvested at lower rates.

**Social/Political / Legislative Risk.** Risk associated with the possibility of nationalization, unfavorable government action or social changes resulting in a loss of value is called social or political risk.

**Currency/Exchange Rate Risk.** Currency or exchange rate risk is a form of risk that arises from the change in price of one currency against another. The constant fluctuations in the foreign currency in which an investment is denominated vis-à-vis one's home currency may add risk to the value of a security.

## Item 9. Disciplinary Information

VWM has not been involved in any material legal or disciplinary events that are required to be disclosed in this section.

## Item 10. Other Financial Industry Activities and Affiliations

VWM is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons.

Receipt of Insurance Commissions. Certain of VWM's *Supervised Persons*, in their individual capacities, are also licensed insurance agents. When appropriate, these *Supervised Persons*, in their individual capacities, may recommend the purchase of certain insurance products to advisory clients on a fully disclosed commission basis. A conflict of interest exists to the extent that VWM recommends the purchase of insurance products where its *Supervised Persons* receive insurance commissions or other additional compensation.

Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections. VWM does not utilize or select other advisers or third-party managers. All assets are managed by VWM. All material conflicts of interest under applicable state law are disclosed regarding the investment adviser, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

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

VWM has adopted a code of ethics in compliance with applicable securities laws ("*Code of Ethics*") that sets forth the standards of conduct expected of its *Supervised Persons*. VWM's *Code of Ethics* contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its *Supervised Persons* and the trading by the same of securities ahead of clients to take advantage of pending orders. Clients or prospective clients may obtain a copy of the Code by contacting Chief Compliance Officer by email at [daniele.ghiotti@vestawealth.com](mailto:daniele.ghiotti@vestawealth.com).

The *Code of Ethics* also requires certain of VWM's personnel who have access to non-public information regarding securities transactions (called "*Access Persons*") to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). VWM *Supervised Persons* are permitted to buy or sell securities that they also recommend to clients.

When the Firm is engaging in or considering a transaction in any security on behalf of a client where there may be a potential for conflict, no *Access Person* may knowingly execute for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household as the *Access Person*) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the *Access Person* is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

## Recommendations Involving Material Financial Interests

VWM does not recommend that Clients buy or sell any security in which a related person to VWM or the Firm has a material financial interest.

#### Investing Personal Money in the Same Securities as Clients

From time to time, the Firm's *Supervised Persons* may buy or sell securities for themselves that they also recommend to Clients. Such transactions may create a conflict of Interest. VWM will always document any transactions that create a conflict of interest and will always transact Client business in the Clients' best interests before their own when similar securities are being bought or sold.

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

From time to time, the Firm's *Supervised Persons* may buy or sell securities for themselves that they also recommend to clients. Such transactions may create a conflict of interest. The Firm will always transact client business in the Clients' best interests before their own when similar securities are being bought or sold.

### **Item 12. Brokerage Practices**

#### Recommendation of Broker/Dealers for Client Transactions

VWM generally recommends that clients utilize the custody, brokerage and clearing services of Schwab Advisor Services<sup>TM</sup> ("Schwab") and TD AMERITRADE Institutional, a division of TD AMERITRADE, Inc. ("TD Ameritrade") for investment management accounts. VWM participates in the institutional customer program offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA, an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisers services which include custody of securities, trade execution, clearance, and settlement of transactions. VWM receives some benefits from TD Ameritrade through its participation in the program, as discussed below.

Factors which VWM considers in recommending Schwab and TD Ameritrade or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research, and service. Schwab and TD Ameritrade may enable the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by Schwab and TD Ameritrade may be higher or lower than those charged by other Financial Institutions.

The Firm executes trades both through the custodians where client assets are held, as well as through trade-away brokers. Trade-away brokers are Financial Institutions other than the client's custodian.

Equity trades that involve securities traded on the major exchanges generally occur through the custodians. The commissions paid by VWM's clients to Schwab and TD Ameritrade comply with the Firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to execute the same transaction where VWM determines that the commissions are reasonable in relation to the value of the brokerage and research services received.

For fixed income securities, however, VWM may elect to execute through trade-away brokers, which will result in additional costs to the client, called trade-away fees. The current trade-away brokers are Arkadios Capital, member FINRA / SIPC, Raymond James Financial Services, Inc., member FINRA / SIPC, and 280 Securities LLC, member FINRA/SIPC, Piper Sandler & Co, LLC, member FINRA/SIPC, but the list may expand as VWM sees fit for its clients' benefit. Very often, the trade-away brokers will provide access to improved execution services, often including better pricing, more availability of securities, and faster execution speed. Hence, the majority of VWM's fixed income trades are executed through trade away brokers. The trade-away fees paid by VWM's clients to Schwab and TD Ameritrade comply with the Firm's duty to obtain "best execution."

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates and responsiveness. VWM seeks competitive pricing but may not necessarily obtain the lowest possible pricing for client transactions.

VWM periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions considering its duty to obtain best execution.

The client may direct VWM in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution and the Firm will not seek better execution services or prices from other Financial Institutions or be able to "batch" client transactions for execution through other Financial Institutions with orders for other accounts managed by VWM (as described below). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, VWM may decline a client's request to direct brokerage if, in the Firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Transactions for each client typically will be executed independently, unless VWM decides to purchase or sell the same securities for several clients at approximately the same time. VWM may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among VWM's clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will typically be averaged as to price and allocated among VWM's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that VWM determines to aggregate client orders for the purchase or sale of securities, including securities in which VWM's Supervised Persons may invest, the Firm typically does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. VWM does not receive any additional compensation or remuneration because of the aggregation.

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, VWM may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist VWM in its investment decision-making process. Such research typically will be used to service all the Firm's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because VWM does not have to produce or pay for the products or services.

#### Software and Support Provided by Financial Institutions

VWM does not receive soft dollar benefits but may receive without cost from Schwab and TD Ameritrade computer software and related systems support, which allow VWM to better monitor client accounts maintained at Schwab and TD Ameritrade. VWM may receive the software and related support without cost because the Firm renders investment management services to clients that maintain assets at Schwab and TD Ameritrade. The software and support are not provided in connection with securities transactions of clients (i.e., not “soft dollars”). The software and related systems support may benefit VWM, but not its clients directly. In fulfilling its duties to its clients, VWM endeavors always to put the interests of its clients first. Clients should be aware, however, that VWM’s receipt of economic benefits from a broker/dealer creates a conflict of interest since these benefits may influence the Firm’s choice of broker/dealer over another that does not furnish similar software, systems support or services.

There is no direct link between VWM’s participation in TD Ameritrade’s institutional customer program and the investment advice it gives to its clients, although VWM receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. Additionally, VWM may receive the following benefits from TD Ameritrade through its registered investment adviser division: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Registered Investment Adviser participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information. The Firm also has the ability deduct advisory fees directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to the Firm by third party vendors. TD Ameritrade may fund business consulting and professional services received by VWM’s related persons.

Some of the products and services made available by TD Ameritrade through the program may benefit VWM but not its client. These products or services may assist VWM in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help VWM manage and further develop its business enterprise. The benefits received by VWM’s participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade.

#### Brokerage for Client Referrals

VWM does not consider, as a factor in selecting or recommending broker/dealers, whether the Firm receives client referrals from the broker-dealer.

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

#### Account Reviews

For those clients to whom VWM provides investment management services, VWM monitors those portfolios and regular account reviews are conducted by Daniele Ghiotti on at least a quarterly basis, and client portfolios are discussed with the client at least annually. For those clients to whom VWM provides financial planning and/or consulting services, reviews are conducted on an “as needed” basis. Such reviews are conducted by one of VWM’s investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with VWM and to keep VWM informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client’s financial situation and/or investment objectives.

#### Account Statements and Reports

Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from VWM and/or an outside service provider, which contain certain

account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with those they receive from VWM or an outside service provider.

Those clients to whom VWM provides financial planning and/or consulting services will receive reports from VWM summarizing its analysis and conclusions as requested by the client or as otherwise agreed to in writing by VWM.

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

### Client Referrals

VWM is required to disclose any direct or indirect compensation that it provides for client referrals. VWM does not provide direct or indirect compensation for client referrals.

### Other Economic Benefits

In addition, VWM is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services.

VWM does not receive soft dollar benefits, but may receive from Financial Institutions, without cost to VWM, computer software and related systems support, which allow VWM to better monitor client accounts maintained at Financial Institutions. VWM may receive the software and related support without cost because VWM renders investment management services to clients that maintain assets at Financial Institutions. The software and support are not provided in connection with securities transactions of clients (i.e., not “soft dollars”). The software and related systems support may benefit VWM, but not its clients directly. In fulfilling its duties to its clients, VWM endeavors always to put the interests of its clients first. Clients should be aware, however, that VWM’s receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence VWM’s choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support or services.

## **Item 15. Custody**

The Firm does not maintain physical custody of a Client’s assets. Clients’ assets will be held in the custody of a custodian meeting the requirements of a “qualified custodian” under applicable law.

VWM is unable to take even temporary possession of client assets for the purpose of transferring them to the client’s account. Each client has a direct relationship with their custodian and is responsible for making deposits to and withdrawals from their accounts, as necessary. Although VWM does not maintain physical custody of client investment accounts, it is deemed to have custody of client assets because of the Firm’s authority to receive payment of its investment management fees via direct deduction/payment by the client’s custodian from the client’s investment account.

The qualified custodian of a client’s assets will be responsible for sending confirmations of each transaction executed for the assets and a brokerage statement no less than quarterly to clients directly. The Firm will also send clients a report, including an inventory of holdings and performance as clients may reasonably request from time to time. The Firm recommends that clients compare and verify the information in the Firm’s report with the information on the statements Clients receive directly from the custodian.

VWM’s Agreement and/or the separate agreement with any Financial Institution may authorize VWM through such Financial Institution to debit the client’s account for VWM’s fee and to directly remit that management fee to VWM in accordance with applicable custody rules.



The Financial Institutions recommended by VWM have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to VWM. In addition, as discussed in Item 13, VWM also sends periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from VWM.

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

VWM is given the authority to exercise discretion on behalf of clients. VWM is considered to exercise investment discretion over a client's account if it can execute transactions for the client without first having to seek the client's consent. VWM is given this authority through a power-of-attorney included in the agreement between VWM and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold).

VWM takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold; and
- When transactions are made.

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

VWM does not vote client securities (proxies) on behalf of its clients.

#### **Item 18. Financial Information**

VWM is not required to disclose any financial information pursuant to this Item due to the following:

- The Firm does not require or solicit the prepayment of more than \$500 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.





## Form ADV Part 2B

### Brochure Supplement

Professional Background Information re:

**Daniele Ghiotti**

1688 Meridian Avenue, 7<sup>th</sup> Floor, Suite 700, Miami, Florida 33139 |  
(305) 240-6670 | [www.VestaWealth.com](http://www.VestaWealth.com) | CRD Number: 167498

This brochure provides information about the qualifications and business practices of VESTA Wealth Management, LLC's (hereinafter "VWM" or the "Firm") professional personnel. This is a supplement to the VWM's Form ADV Part 2A Brochure, which accompanies this Part 2B. If you have any questions about the contents of this brochure supplement, please contact the Firm's President and Chief Compliance Officer, Daniele Ghiotti, at the telephone number listed below. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Registration does not imply any level of skill or training.

## DANIELE GHIOTTI

Born 1972

### Item 2 – Education and Business Background

#### Post-Secondary Education

Northwestern University – Kellogg School of Management | MBA, Finance | 2001

Solvay business School | Masters, Finance | 1998

Université Pierre et Marie Curie (Paris VI) | DEA, Computer Systems | 1996

École nationale supérieure des Télécommunications | Diplôme d’Ingénieur, Telecommunications Engineering | 1996

Politecnico di Torino | Laurea, Computer Science Engineering | 1996

#### Business Background

VESTA Wealth Management, LLC | President | April 2013 – Present

UBS Financial Services Inc. | Investment Adviser Representative | March 2009 – April 2013

UBS Financial Services Inc. | Registered Representative | February 2009 – April 2013

#### Professional Designations

2006 Certified Financial Planner (CFP®) \*

2005 Certified Investment Management Analyst \*\* (CIMA®)

2004 Chartered Financial Analyst (CFA®) \*\*\*

2003 Certified Management Accountant (CMA®) \*\*\*\*

### Item 3 – Disciplinary Information

Mr. Ghiotti has no legal or disciplinary events or disclosures.

### Item 4 – Other Business Activities

Mr. Ghiotti is an owner and principal of YBP1194, LLC, a limited liability company that owns and operates a real estate property. He spends approximately 4 hours of personal time per month on this business activity in non-securities market hours.

### Item 5 – Additional Compensation

Other than as disclosed in Item 12 of the Firm’s Form ADV Part 2A related to unsolicited discounts on software or brokerage services from client custodians or executing broker dealers, neither the Firm nor any of its employees receive any economic benefit from any non-client for the provision of investment advisory services. VWM employees are not paid “sales awards” or other prizes for referring clients to the Firm.

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

### Item 6 – Supervision

All Firm personnel are supervised by President and Chief Compliance Officer Mr. Ghiotti whose supervision is ongoing and includes account reviews, trade supervision, annual compliance reviews including the forensic testing of Firm systems, staff meetings and employee reviews.

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\* The Certified Financial Planner™ (“CFP®”) designation requires the holder to meet education, examination, experience and ethics requirements, and pay an ongoing certification fee. A bachelor's degree (or higher), or its equivalent in any discipline, from an accredited college or university is required. Students are required to complete course training in nine core financial topic areas, sit for a 10-hour CFP Board Certification Examination, acquire three years full-time or equivalent (2,000 hours per year) part-time work experience in the financial planning field and undergo an extensive background check—including an ethics, character and criminal check. To maintain the CFP certification, CFP® professionals must complete 30 hours of continuing education (CE) accepted by CFP Board (including completion of 2 hours of CFP Board approved Ethics CE).

\*\* The Chartered Financial Analyst (“CFA®”) designation requires the holder to pass three six-hour exams, possess a bachelor's degree (or equivalent, as assessed by CFA institute) and have 48 months of qualified, professional work experience. CFA charter holders are also obligated to adhere to a strict code of ethics and standards governing professional conduct.

\*\*\*The Certified Investment Management Analyst (“CIMA®”) designation is administered through Investment Management Consultants Association, IMCA®. It signifies that an individual has met initial and on-going experience, ethical, education, and examination requirements for investment management consulting, including advanced investment management theory and application. Prerequisites for the CIMA® certification are three years of financial services experience and an acceptable regulatory history. To obtain the CIMA® certification, candidates must pass an online Qualification Examination, successfully complete a one-week classroom education program provided by a Registered Education Provider at an AACSB accredited university business school and pass an online Certification Examination. CIMA® designees are required to adhere to IMCA’s Code of Professional Responsibility, Standards of Practice, and Rules and Guidelines for Use of the Marks. CIMA® designees must report 40 hours of continuing education credits, including two ethics hours, every two years to maintain the certification.

\*\*\*\* The Certified Management Accountant (“CMA®”) designation is administered through the Institute of Management Accountants. The designation signifies expertise in financial accounting and strategic business management. The prerequisites for the CMA® designation are a college degree, two years of work experience in management accounting, study and CMA examination success, adherence to the Institutes’ CMA Code of Ethics and continuing education. Certificate holders are required to maintain membership Institute of Management Accountants.