

## Item 1 – Cover Page

### **Argos Wealth Advisors, LLC**

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Date of Brochure: March 2011

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This brochure provides information about the qualifications and business practices of Argos Wealth Advisors. If you have any questions about the contents of this brochure, please contact Jeffrey Roush at 1-707-927-4809. 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 Argos Wealth Advisors is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our Firm's information on this website by searching for Argos Wealth Advisors. You may search for information by using the Firm's CRD number. The CRD number for Argos Wealth Advisors is **143583**.

\*Registration as an investment advisor does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

On July 28, 2010, the United States Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document we provide to clients as required by applicable rules and regulations. This Disclosure Brochure dated March 2011 is a new document prepared according to the new requirements and rules. As such, this document is materially different in structure and requires certain new information that our previous Form ADV Part II and Schedule F did not require. In the future, this item will discuss only specific material changes that are made to the Disclosure Brochure and provide readers with a summary of such changes. We will also reference the date of the last annual update of the brochure.

In the past our Firm has offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new rules, we will ensure that you receive a summary of any material changes to this and subsequent Disclosure Brochures within 120 days after our fiscal year ends. Our fiscal year ends on December 31 so you will receive the summary of material changes no later than April 30 each year. At that time we will also offer a copy of the most current Disclosure Brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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## **Item 4 – Advisory Business**

### **Description of Advisory Firm**

Argos Wealth Advisors is an investment advisor registered with the United States Securities and Exchange Commission (“SEC”) and is a Limited Liability Company formed under the laws of the State of Delaware. We are headquartered in Napa, California.

- The Firm’s Chief Executive Officer is Michael Russo. Mr. Russo is the only member with 25% or more control in the Firm and therefore he is considered our Firm’s controlling owner. Jeffrey Roush is the Chief Operating Officer and managing partner.
- Argos Wealth Advisors has been registered as an investment advisor since July 12, 2007.

### **Client Advisory Board**

In order to actively solicit the advice of our clients regarding developing an efficient advisory consulting firm, we have developed a Client Advisory Board. The Client Advisory Board was formed to engage the talents of our clients and optimize the breadth of ideas the Firm can gain from our clients. It was formed from a diverse selection of clients and the members are rotated periodically in order not to over burden any one client and to keep the enthusiasm and the inflow of fresh ideas high.

A five member board with terms of one to three years, at the advisory board member's discretion, is used to provide an appropriate balance of ideas and focus. Since different board members might select different terms, new members rotate in periodically changing the group dynamic. The goal is to keep fresh client perspective. Advisory board member service would be in the form of two annual think-tank sessions with some discussion specific follow up. It should be noted that advisory board members are not licensed as investment advisor representatives of Argos Wealth Advisors as they do not provide individualized investment advice to other clients.

### **Description of Advisory Services**

#### **Asset Allocation, Portfolio Construction and Monitoring Services**

This is our primary advisory service we provide to all of our clients. Please review this section very carefully and also be sure to read Item 5 – Fees and Compensation to learn about our fee arrangements.

We have developed this program as a service designed to diversify your assets among one or more unaffiliated, third-party money managers that will be registered or properly exempt from registration as investment advisors. We construct money manager portfolios and select appropriate money managers for you based upon your individual needs. The selected money managers will then manage your assets by providing ongoing discretionary investment management services. Discretionary authority allows the money managers to determine the securities to be purchased and sold in your accounts managed by the money manager. We will **not** have any trading authority with respect to your accounts managed by a money manager. Prior to recommending and selecting a money manager for a client, we may discuss the money manager with you. However, our program permits us to hire and fire money managers on your behalf without directly consulting with you. Please refer to Item 16 – Investment Discretion for more information.

Depending on your individual needs and if we believe appropriate money managers are not available, we can develop a portfolio of mutual funds and/or exchange-traded funds selected and managed by our investment team. We may also recommend the direct investment in pooled investment vehicles (contingent upon the client's financial circumstances and eligibility participate in such investments).

We will need to obtain certain information from you to determine your financial situation and investment objectives. It is important that all information you provide be accurate, complete and up-to-date. However, we cannot assume responsibility for the accuracy of information furnished by you or any third-party on your behalf.

At least quarterly, you are reminded to notify us whether your financial situation or investment objectives have changed, or if you want to impose and/or modify any reasonable restrictions on the management of your accounts. At least annually, we contact individual clients to determine whether their financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of accounts managed. We are always reasonably available to consult with individual clients relative to the status of their accounts and to facilitate communication with selected money managers. You have the ability to impose reasonable restrictions on the management of your accounts, including the ability to restrict certain securities. Your beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the account. A separate account is always maintained for each client with the custodian and clients retain right of ownership of the account (e. g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

It is important that you understand we manage investments for other clients and may give them advice or take actions for them or for our personal accounts that is different from the advice we provide to you or actions we take for you. We are not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts.

Conflicts may arise in the allocation of investment opportunities among accounts managed by us or by third-party money managers. Steps are always taken to allocate investment opportunities believed appropriate for your account(s) and other accounts advised by our Firm and outside money managers among such accounts equitably and consistent with the best interests of all accounts. However, there can be no assurance that a particular investment opportunity that comes to our attention or the attention of a money manager will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client's benefit.

The services described in this section are provided through the Schwab Institutional Division of Charles Schwab & Company, Inc. ("Charles Schwab") and Pershing Advisor Solutions LLC., a BNY Mellon Company ("Pershing Advisor Solutions"). Charles Schwab & Company, Inc. and Pershing Advisor Solutions LLC., a BNY Mellon Company shall serve as broker/dealers and qualified custodians for client funds and assets. Please refer to Item 12 – Brokerage Practices and Item 15 – Custody for more information.

### ***AWA Small Cap Access Fund Management Services***

We provide investment supervisory services on a discretionary basis to the AWA Small Cap Access Fund, L.P. (referred to as the "Fund"), a limited partnership formed under Delaware law. The Fund is a private pooled investment vehicle and is not registered with the SEC as an investment company. The Fund has been established exclusively for our Firm's clients. Argos Wealth Advisors serves as the general partner of the Fund, and therefore, we are not independent of the Fund. Investments in the Fund do not involve a public offering that is registered with the applicable securities regulators.

As general partner and investment advisor to the Fund, we have sole and complete authority to manage the Fund's activities and are responsible for managing the Fund's investment portfolio pursuant to the investment objective and investment policies of the Fund. Argos Wealth Advisors is responsible for all major decisions of the Fund, including, without limitation, amending or changing the Fund's investment objective, investment strategy and investment policies or limitations.

Similar to our individual client services, we select sub-managers to manage a portion of the assets contained in the Fund. Sub-managers are selected based on their anticipated ability to develop investment strategies that comply with the Fund's objectives. The selected sub-managers will be responsible for managing a portion or a majority of the Fund's assets on a discretionary basis. The sub-managers must be registered as an investment advisor or exempt from registration. Limited partners (i.e. investors) of the Fund receive specific information about the sub-manager, its investment style, and compensation arrangements, prior to or at the time of obtaining an interest in investments managed by a sub-manager. We also individually manage a portion of the Fund's assets by investing directly in various securities, including derivative instruments such as swaps, options, and securitizations, which in turn may include one or more tailored investment contracts or basket option structures.

In addition to managing the Fund's operations and assets, we are responsible for soliciting investors to the Fund. We only recommend the Fund to our individual clients. The objective for soliciting our individual clients to the Fund is to provide access to investment types that would otherwise have minimum account sizes out of the reach of most of our clients.

Investors in the Fund must be "accredited investors" as defined under the Securities Act of 1933. Investors must also be "qualified purchasers" as defined under the Investment Company Act of 1940. Investors must provide all necessary information documenting to Argos Wealth Advisors confirming they qualify to participate in the Fund.

### **Specialization.**

Argos Wealth Advisors specializes in investment management consulting serving clients with portfolios ranging from \$5 million to \$500 million. It seeks to improve client after-tax and risk adjusted portfolio performance by addressing the three major deficiencies in portfolio management – conflicts of interest, infidelity to portfolio theory, and insensitivity to tax consequences. Argos then guides the client in the implementation and ongoing monitoring of their established portfolio goals.

### **Limits Advice to Certain Types of Investments.**

As described above, Argos Wealth Advisors assists clients in selecting discretionary money managers to manage client assets, mutual funds, and/or exchange-traded funds. We will also manage a portion of a

client's assets by directly determining the securities held in accounts. We are generally available to discuss a client's entire portfolio holdings including the following types of investments\*.

- No-Load (i.e. no trading fee) and Load-Waived (i.e. trading fee waived) Mutual Fund Shares
- Exchange-listed securities (i.e. stocks)
- Securities traded over-the-counter (i.e. stocks)
- Fixed income securities (i.e. bonds)
- Derivative instruments such as swaps, options, and securitizations
- Closed-End Funds and Exchange Traded Funds (ETFs)
- Investment contracts and basket option structures
- Foreign Issues
- Warrants
- Corporate debt securities and Commercial paper
- Certificates of deposit
- Municipal securities and United States government securities
- Real estate and limited partnerships (including the AWA Small Cap Access Fund, L.P.), and other entities that invest private equity, venture capital, publicly trades securities, futures, options, real estate loans, foreign investments, hedge funds, and various debt offerings. Such investments are often illiquid, which means that the investments can be difficult to trade and consequently limits a client's ability to dispose of such investments in a timely manner and at an advantageous price. Additionally, such investments may not have registered pursuant to the Securities Act of 1933, and therefore the client will need to complete a subscription agreement showing the client is an "accredited" investor (as defined by applicable law and rules and regulations) and acknowledge that he or she has read and understands the private placement memorandum and is aware of the various risk factors associated with such an investment.

\*Please note we do not generally provide advice on variable life insurance, variable annuities, options contracts on securities or commodities, or futures contracts on tangibles or intangibles.

(Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information.)

### **Tailor Advisory Services to Individual Needs of Clients**

Our services are always provided based on the individual needs of each client. This means, for example, that you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with each client on a one-on-one basis through interviews and questionnaires to determine the client's investment objectives and suitability information.

### **Client Assets Managed by Argos Wealth Advisors**

The amount of clients assets managed by Argos Wealth Advisors totaled \$557,634,064 as of January 31, 2011. Of that total, \$469,912,415.00 is managed on a discretionary basis and \$87,721,649.00 is managed on a non-discretionary basis.

## Item 5 – Fees and Compensation

### **Fees for Asset Allocation, Portfolio Construction and Monitoring Services**

Fees for our Asset Allocation, Portfolio Construction and Monitoring Services are based on a percentage of the market value of all assets in the your account(s) as of the last business day of the proceeding calendar quarter. The following is our standard fee schedule.

#### Assets under Advisement - Fee - Category Maximum - Fee at Category Maximum

First \$5 million	0.60%	\$5 million	0.60%
\$5 million to \$15 million	0.40%	\$15 million	0.47%
\$15 million to \$25 million	0.30%	\$25 million	0.40%
\$25 million to \$100 million	0.20%	\$100 million	0.25%
Over \$100 million	negotiable		

\*\* Minimum fee is \$30,000 per annum

The fee charged on assets over \$100 million is negotiable based on factors such as the amount of assets within the account, and the overall complexity of the services provided. Some family and friend clients may be eligible for a fee break which is negotiable. Services and fees will be agreed upon in writing prior to services being provided.

The annual fee is divided and payable quarterly, in advance. We will request that our fees charged to your account(s) be deducted directly from the one or more account(s). At our discretion, you may pay fees directly to Argos Wealth Advisors via check. When paying directly, payment is due upon your receipt of the billing statement we will send to you.

The custodian will send account statements, at least quarterly, showing all positions, transactions, withdrawals, deposits, and disbursements for the account including the amount of the advisory fee, if deducted directly from the account. Please refer to Item 15 – Custody of this Disclosure Brochure for more information.

Please note the fees charged by Argos Wealth Advisors are strictly for our asset allocation, portfolio construction, and monitoring services. Our fees are completely separate from the fees charged by selected money managers, mutual funds, and pooled investment vehicles. In other words, fees charged by Argos Wealth Advisors are over and above fees charged by others.

However, the total fee charged to a client for our program generally will not exceed **2% - 3%** annually. The total fees charged to a client may be more or less than fees charged by other firms for similar services.

### **Brokerage, Custodial and Other Fees & Expenses**

Custodian fees charged by Charles Schwab and Pershing Advisor Solutions are negotiated by Argos Wealth Advisors for the benefit of the client and are charged on either an Asset Based Pricing model or a Transaction Based Pricing model. Argos Wealth Advisors retains no portion of either of the custodian fees.

When Argos Wealth Advisors recommends money managers, Charles Schwab or Pershing Advisor Solutions will charge an asset based fee calculated on the basis of the client's total invested assets in the account. The fee is charged for SEC filing fees and transaction costs. Upon approval from the client, Charles Schwab or Pershing Advisor Solutions will charge its fee on a monthly basis.

Under the Transaction Based Pricing model, a fee is charged by Charles Schwab or Pershing Advisor Solutions with each transaction and the fee is paid out of the separately managed account.

In addition, clients may incur additional charges including but not limited to, mutual fund sales loads, 12b-1 fees, surrender charges, and IRA and qualified retirement plan fees. Argos Wealth Advisors will not receive any portion of such commissions or fees. We are only compensated by the consulting fee described above. We receive no other compensation in connection with a client's account. When we negotiate lower fees and expenses charged by third parties, all negotiated improvements are for our clients' benefit.

#### Termination of Services

Argos Wealth Advisors or the client may terminate an agreement for services at any time by providing notice to the other party, subject to the settlement of any outstanding trades. Termination will be effective upon receipt of notification or such later date as specified in such notification. If services are terminated within five (5) business days of executing the agreement, services will be terminated without penalty and all pre-paid fees will be refunded to the client. If services are terminated after the initial five day period, the most recently charged fee will be prorated and any unearned, pre-paid fees will be refunded to the client. The earned, prorated fee will be calculated based on the percentage of days that services were provided during the calendar quarter multiplied by the average daily balance during the portion of the calendar quarter that services were provided by Argos Wealth Advisors (the beginning of the quarter through the termination date).

#### **Fees for AWA Small Cap Access Fund Management Services**

We do not receive a fee or other compensation from the AWA Small Cap Access Fund (the "Fund"). The value of our individual clients' interests in the Fund are included in their overall assets under management we calculate when charging management fees directly to the individual client (as described above – see Fees for Asset Allocation, Portfolio Construction and Monitoring Services).

Sub-managers will be compensated by the Fund based on a percentage of the aggregated total assets managed by a sub-manager. Typically, the maximum annual fee received by a sub-manager is 1.00%. Sub-manager fees shall be computed quarterly at one-fourth of the annual rate on the assets under management as of the close of business on the last business day of the quarter preceding the quarter for which the fee is due (or at account start-up, on the initial account balance). Fees shall be billed and payable in advance, as soon as practical at the beginning of each calendar quarter. In the event a sub-manager is terminated from managing Fund assets, sub-manager fees will be prorated until the effective date of such termination.

Clients investing in the Fund will receive a copy of the Fund's Disclosure Memorandum which provides a complete description of the structure and arrangements of the Fund. An Agreement of Limited Partnership must be executed and Subscription Application completed by all investors.

## Item 6 – Performance-Based Fees and Side-By-Side Management

Item 6 of the Form ADV Part 2 instructions is not applicable to this Disclosure Brochure because Argos Wealth Advisors **does not charge or accept performance-based fees** which can be defined as fees based on a share of capital gains on or capital appreciation of the assets held within a client's account.

## Item 7 – Types of Clients

Argos Wealth Advisors generally provides investment advice to the following types of clients:

- ✓ Individuals
- ✓ High-Net Worth Individuals (defined as having \$1,500,000 net worth or at least \$750,000 under management with our Firm)
- ✓ Trusts, estates, or charitable organizations
- ✓ As described in Item 4 and Item 5 of this Disclosure Brochure, we serve as the investment advisor for the AWA Small Cap Access Fund, L.P., a private pooled investment vehicle, for which we are also the general partner. Therefore, the Fund is technically our client.

All clients are required to execute an agreement for services in order to establish a client arrangement with Argos Wealth Advisors and/or the sponsor of third-party money manager platforms.

### **Minimum Investment Amounts Required**

Argos Wealth Advisors minimum account size is \$5,000,000 which amount may be waived by the Firm.

Additionally, money managers may have established minimums that will vary from manager to manager. Disclosure of each manager's minimums is set forth in the manager's Form ADV Part 2 Disclosure Brochure.

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

Argos Wealth Advisors offers a client-centered investment management consulting program serving clients with portfolios ranging from \$5 million to \$500 million. We seek to improve client after-tax and risk adjusted portfolio performance by addressing the three major deficiencies in portfolio management – conflicts of interest, infidelity to portfolio theory, and insensitivity to tax consequences.

Proper portfolio construction depends on assembling a multitude of parts into a coherent whole with the goal of improved performance while at the same time controlling for risk.

Argos Wealth Advisors employs a risk-based management style. **First**, we work with the client to design a strategic asset allocation plan with respect to the assets monitored and/or managed by our Firm. Strategic asset allocation calls for setting target allocations and then periodically rebalancing the portfolio back to those targets as investment returns skew the original asset allocation percentages. The concept is akin to a “buy and hold” strategy, rather than an active trading approach. Of course, the strategic asset

allocation targets may change over time as your goals and needs change and as the time horizon for major events such as retirement and college funding grow shorter.

**Second**, we engage or recommend money managers, mutual funds, or pooled investment vehicles to implement such plan. **Third**, we provide on-going supervision and monitoring of the client's accounts. Depending on your unique situation, we will engage in one or both of the following general strategies.

- ✓ Long term purchases - Investments held at least a year.
- ✓ Short term purchases - Investments sold within a year.

### **Risk of Loss**

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients (including you) should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our Firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated when investing in securities through our investment management program.

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Fixed Income Risk. When investing in bonds, there is the risk that issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will

erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.

- Options Risk. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and Mutual Fund Risk – When our Firm invests in an ETF or mutual fund, it will bear additional expenses based on its pro rata share of the ETFs or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will also incur brokerage costs when purchasing ETFs.
- Management Risk – Your investment with our Firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

#### **Item 9 – Disciplinary Information**

This item is not applicable to our brochure because there are no legal or disciplinary events listed at Item 9 of the Form ADV Part 2 instructions that are material to a client's or prospective client's evaluation of our business or integrity.

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

Argos Wealth Advisors is an independent investment advisory firm and only provides investment advisory services. The Firm is not engaged in any other business activities and offers no other services than those described in this Disclosure Brochure.

We are **not** nor do we have a related company that is a (1) broker/dealer, municipal securities dealer, government securities dealer or broker, (2) registered investment company (including a registered mutual fund, registered closed-end investment company, or registered unit investment trust) (3) other investment adviser or financial planner, (4) futures commission merchant, commodity pool operator, or commodity trading advisor, (5) banking or thrift institution, (6) accountant or accounting firm, (7) lawyer or law firm, (8) insurance company or agency, (9) pension consultant, (10) real estate broker or dealer, or (11) sponsor or syndicator of limited partnerships.

#### **AWA Small Cap Access Fund, L.P.**

As disclosed in Item 4, Argos Wealth Advisors is the general partner and investment advisor of the AWA Small Cap Access Fund, L.P. (the "Fund"). The Fund was formed to allow clients of Argos Wealth Advisors to invest in various alternative investments, which may include; securities, hedge funds, private investments, and other non-traditional investments. You are **not** obligated to invest in the Fund, but may be solicited based on your goals and risk tolerance. In fact, one of the primary purposes of Argos Wealth Advisors forming the Fund is to allow access to small cap fund managers that our clients would otherwise not qualify for due to minimum account limits established by small cap managers.

Because of our affiliation with the Fund, we have a conflict of interest when recommending the Fund over other alternatives. One way we control for this conflict of interest is that we do not charge a separate fee for managing our individual client assets invested in the Fund. Instead, if you choose to invest in the Fund, your investment allocation in the Fund will be included in the overall management fee calculation paid to the Firm.

### **Third-Party Money Managers**

As described in *Item 4 – Advisory Business* and *Item 5 – Fees and Compensation*, Argos Wealth Advisors has formed relationships with independent, third-party money managers.

Unlike other investment advisors, we do not receive a referral fee or solicitor fee from third-party money managers we recommend to clients. The only compensation we receive is the management fee we charge directly to our clients. Money managers will also bill clients directly, but our fees are completely separate from the fee charged by money managers (please refer to Item 5 for more details). This policy helps us avoid selecting money managers based on our economic interests. Instead, we select money managers we believe are most appropriate for our clients absent additional economic benefits we could receive from a money manager.

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

### **Code of Ethics Summary**

Argos Wealth Advisors has established a Code of Ethics that will apply to all of its associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. Argos Wealth Advisors has a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle for the Firm's Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign and acknowledge that they have read, understand and agree to comply with our Firm's Code of Ethics. Argos Wealth Advisors has the responsibility to make sure that the interests of all clients are placed ahead of the Firm's or its supervised person's own investment interest. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to any services being conducted. Argos Wealth Advisors and its supervised persons must conduct business in an honest, ethical and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Firm's Code of Ethics in its entirety, a copy will be provided promptly upon request.

### **Recommendation of AWA Small Cap Access Fund, L.P.**

We recommend to our clients the AWA Small Cap Access Fund. As general partner and investment advisor to the Fund, we have a material financial interest when recommending the Fund. We address for this conflict by comparing the Fund against other non-registered pooled investment vehicles and we will recommend other pooled investment vehicles when more appropriate for the client. Please refer to Item 4, Item 5 and Item 10 of this Disclosure Brochure for more information.

Partners and employees of our Firm are allowed to invest in the Fund. To help control for this conflict of interest, the Fund is managed by external investment managers selected by Argos as the General Partner to the Fund. The external managers are therefore responsible for selecting the underlying assets, securities and trading in the Fund. Our partners and employees do not have involvement in that process.

Argos partners and employee seeking to invest in the AWA Fund must first be approved by both the CEO of Argos and the Chief Compliance Officer prior to any purchase or redemption in the Fund. Clients of Argos are given first right of opportunity over Argos partners and employees for approval of investing in the Fund or redeeming from the Fund.

#### **Affiliate and Employee Personal Securities Transactions Disclosure**

Argos Wealth Advisors or its associated persons may buy or sell for their personal accounts, investment products identical to those recommended to clients. This creates a potential conflict of interest. It is the express policy of Argos Wealth Advisors that all persons associated in any manner with the Firm must place the interests of our clients ahead of their own when implementing personal investments. Argos Wealth Advisors and its associated persons shall not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of his/her employment unless the information is also available to the investing public upon reasonable inquiry.

#### **Item 12 – Brokerage Practices**

Argos Wealth Advisors recommends that clients establish brokerage accounts with either Charles Schwab or Pershing Advisor Solutions. Charles Schwab and Pershing Advisor Solutions LLC are registered broker-dealers, members of SIPC, and are recommended by the Firm to maintain custody of clients' assets and to effect trades for their accounts. We are independently owned and operated and not affiliated with either Charles Schwab or Pershing Advisor Solutions LLC.

When money managers are selected by Argos Wealth Advisors, clients authorize and direct each money managers to effect transactions through Charles Schwab and its affiliates or Pershing Advisor Solutions LLC subject to each money manager's duty to seek best execution.

The primary factor in suggesting a broker/dealer or custodian is that the services of the recommended firm are provided in a cost-effective manner and the availability to selected recommended money managers. Best execution of client transactions implemented by money managers is an issue our Firm takes seriously and is a catalyst in the decision of suggesting a broker/dealer. While quality of execution at the best price is an important determinant, best execution does not necessarily mean lowest price and it is not the sole consideration. The trading process of any broker/dealer and money manager suggested by Argos Wealth Advisors must be efficient, seamless, and straight-forward. Overall custodial support services, trade correction services, and statement preparation are some of the other factors determined when suggesting a broker/dealer.

The recommended custodians provide us and our recommended money managers with access to their institutional trading and custody services, which are typically not available to retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as the independent investment advisors maintain a minimum amount of assets with the custodian.

Custodians do not charge separately for custody but are compensated by account holders through commissions or other transaction-related fees for securities trades that are executed by recommended money managers through the custodian or that settle into a custodian account.

The recommended custodians also make available to us and our recommended money managers, other products and services that benefit our Firm but may not benefit its clients' accounts. Some of these other products and services assist our Firm in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmation and account statements); provide research, pricing information and other market data; facilitate payment of the Firm's fees from its clients' accounts; and assist with back-office functions; record keeping and client reporting. Many of these services generally may be used to service all or a substantial number of our accounts, including accounts not maintained at a recommended custodian. Argos Wealth Advisors is also provided other services intended to help our Firm manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing.

While as a fiduciary, Argos Wealth Advisors endeavors to act in its clients' best interests, and our Firm's recommendation that clients maintain their assets in accounts with a recommended custodian may be based in part on the benefit to Argos Wealth Advisors of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the recommended custodian, which may create a potential conflict of interest.

When a client directs Argos Wealth Advisors or a money manager to use a particular broker/dealer or other custodian, our Firm or the money manager may not be able to obtain the best prices and execution for the transaction. Clients who direct the money manager to use a particular broker/dealer or custodian may receive less favorable prices than would otherwise be the case if clients had not designated a particular broker/dealer or custodian.

When managing the AWA Small Cap Access Fund, L.P., Argos Wealth Advisors is provided discretionary investment authority to determine the fund's assets, select sub-managers, and execute implementation decisions when necessary. Argos Wealth Advisors has also been granted discretionary authority to determine the broker/dealer that may be used by the Fund, when necessary. Currently Argos Wealth Advisors uses Charles Schwab but expects to gradually move assets to Pershing as the qualified custodian and broker/dealer during the coming year.

### **Handling of Trade Errors.**

Argos Wealth Advisors has implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with its fiduciary duty, it is the policy of Argos Wealth Advisors to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and any loss resulting from the trade error will be absorbed by Argos Wealth Advisors if the error was caused by the Firm. If the error is caused by the broker-dealer, the broker-dealer will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will remain in the client's account unless the same error involved other client account(s) that should also receive the gains and it is not permissible for all clients to

retain the gain. Argos Wealth Advisors may also confer with clients to determine if the client should forego the gain (e.g., due to tax reasons). Argos Wealth Advisors will never benefit or profit from trade errors.

### **Block Trading Policy**

Argos does not typically execute client trade orders except as an accommodation when they are seeking to sell or purchase an existing security. When such orders are executed, they are not done on a large-block basis. Therefore, Argos Wealth Advisors does not require the need to purchase or sell the same securities for several clients at approximately the same time. We do not believe our process for executing orders for each client on an independent (i.e. individual) basis is more or less costly than executing orders on a block (i.e. aggregate) basis.

## **Item 13 – Review of Accounts**

### **Account Reviews and Reviewers**

We review all client accounts at least quarterly. More frequent reviews may be triggered in the event of changes in money manager personnel, management style or fund closures. Our Firm will be available to discuss the management and performance of the client's account and changes in the client's situation which may have an impact on the management of the client's account.

Michael Russo, CEO, is in charge of providing investment advice and conducting the on-going review of accounts for the majority of Argos Wealth Advisors clients. Jeffrey Roush, COO, and Jeff Handy have also been assigned the responsibility to review one account each. Michael Russo, Jeffrey Roush and Bradford Yamada are members of the Firm's Investment Committee that is responsible for decisions regarding the selection of external money managers utilized for client accounts.

Client assets managed by money managers are reviewed and monitored by the selected money manager. The frequency of reviews conducted by money managers will vary from manager to manager, but typically reviews are conducted at least quarterly. Triggering factors for changes to underlying portfolios within a money manager portfolio include the relative valuation changes between asset classes, deviation from management style by manager, or fund closures.

### **Statements and Reports**

Clients will receive statements at least quarterly from the custodian at which their accounts are maintained. In addition, clients may receive written quarterly (or more frequent) performance reports from Argos Wealth Advisors.

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

We do not directly or indirectly compensate any person who is **not** one of our supervised persons for client referrals. However, we provide certain bonuses and incentives to some of our Financial Advisors for client referrals. Details of such arrangements are provided in the respective supervised person's Brochure Supplement.

The only form of direct compensation received from advisory services is the fees charged for providing investment advisory services as described in Item 5 of this brochure. Other than the benefits we receive

from Charles Schwab and Pershing (see Item 12 – Brokerage Practices for details), we receive no other forms of compensation in connection with providing investment advice.

### **Item 15 – Custody**

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented.

**Specific to our individual client services,** Argos Wealth Advisors is deemed to have custody of client funds and securities whenever Argos Wealth Advisors is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody Argos Wealth Advisors will ever maintain relative to our clients individually owned account. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For accounts in which Argos Wealth Advisors is deemed to have custody, the Firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from Argos Wealth Advisors. When clients have questions about their account statements, they should contact Argos Wealth Advisors or the qualified custodian preparing the statement.

**Specific to the AWA Small Cap Access Fund, L.P. (the "Fund"),** Argos Wealth Advisors is deemed to have custody of the Fund's securities and cash since our Firm serves as the general partner of the Fund, which is a private pooled investment vehicle. As a result, Argos Wealth Advisors will maintain the Fund's accounts at Charles Schwab & Company, Inc., which shall serve as the qualified custodian. Argos Wealth Advisors shall provide the limited partners of the Fund with notice of the qualified custodian that is holding the Fund's accounts. Additionally, the Fund has engaged a public accounting firm to audit the Fund at least annually and distribute audited financial statements (prepared in accordance with generally accounting principles) to the limited partners within 120 days after the end of the Fund's fiscal year.

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

Upon receiving written authorization from the client in our contract for services, our allocation, portfolio construction and monitoring services are provided on a **discretionary** basis. When discretionary authority is granted, we have the authority to determine the money manager that will manage all or a portion of the client's account without obtaining the client's consent prior to engaging the manager. We can also select mutual funds, Exchange Traded Funds, and other investments for the client portfolio without obtaining the client's consent for each transaction.

Please note we do not have discretionary authority (or any other authority) to determine the securities or amount of securities managed directly by a money manager. The selected money managers will be provided discretionary authority to manage client accounts.

All clients have the ability to place reasonable restrictions on the types of investments that may be purchased in an account. Clients may also place reasonable limitations on the discretionary power granted to our Firm so long as the limitations are specifically set forth or included as an attachment to the client agreement.

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

Argos Wealth Advisors will not vote proxies on behalf of your account. While there are some investment advisors that will vote proxies and other corporate decisions on behalf of their clients, we have determined that taking on the responsibility for voting client securities does not add enough value to the services provided to clients to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in accounts managed by our Firm.

Clients will receive proxies directly from their custodian or transfer agent and such documents will not be delivered by our Firm. Although we do not vote client proxies, if you have a question about a particular proxy feel free to contact us.

#### **Item 18 – Financial Information**

This item is not applicable to this brochure. Argos Wealth Advisors does not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, Argos Wealth Advisors has not been the subject of a bankruptcy petition at any time.

## ***CUSTOMER PRIVACY POLICY NOTICE***

Argos Wealth Advisors does not share or disclose customer information to nonaffiliated third parties except as permitted or required by law. Our Firm is committed to safeguarding the confidential information of its clients. We hold all personal information provided by clients in the strictest confidence and it is the objective of the Firm to protect the privacy of all clients. Except as permitted or required by law, our Firm does not share confidential information about clients with nonaffiliated parties. In the event that there were to be a change in this policy, we will provide clients with written notice and clients will be provided an opportunity to direct our Firm as to whether such disclosure is permissible. Argos Wealth Advisors delivers a copy of its privacy policy to all clients on an annual basis.

To conduct regular business, Argos Wealth Advisors may collect personal information from sources such as:

- ✓ Information reported by the client on applications or other forms the client provides to our Firm;
- ✓ Information about the client's transactions implemented by others and viewable by our Firm;
- ✓ Information developed as part of analyses or investment advisory services.

To administer, manage, service, and provide related services for client accounts, it is necessary for Argos Wealth Advisors to provide access to customer information within the Firm and to nonaffiliated companies with whom our Firm has entered into agreements with (such as Charles Schwab and Pershing Advisor Solutions LLC.). To provide the utmost service, we may disclose the information below regarding customers and former customers, as necessary, to companies to perform certain services on our behalf.

- ✓ Information we receive from the client on applications (name, social security number, address, assets, etc.);
- ✓ Information about the client's transactions with our Firm or others (account information, payment history, parties to transactions, etc.);
- ✓ Information concerning investment advisory account transactions;
- ✓ Information about a client's financial products and services with our Firm.

Argos Wealth Advisors maintains the confidentiality of the information that its clients provide. We protect client's information by meeting all laws setting forth procedures for providing physical, electronic, and procedural safeguards that comply with federal regulations to guard your non public personal information. All people who work for our Firm are trained to handle client's information properly in order to maintain its security. Argos Wealth Advisors also restricts access to personal information about clients to only those employees who need such information to provide service(s) to the client. Our Firm maintains physical, electronic, and procedural safeguards that comply with industry standards to guard clients' personal information. We do not sell or market clients' or prospective clients' personal information to third parties. Our Firm does not disclose any information about its clients or former clients to anyone, except as needed by our service providers (e.g., broker, accountants, attorneys and auditors) or as required by law.