

Part 2A of Form ADV: Firm Brochure

Paragon Wealth Strategies, LLC

April 15, 2014

This brochure provides information about the qualifications and business practices of Paragon Wealth Strategies, LLC. If you have any questions about the contents of this brochure, please contact us at (904) 861-0093 or info@wealthguards.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Paragon Wealth Strategies
10245 Centurion Pkwy N.
Suite 106
Jacksonville, FL 32256
Phone: 904.861.00936
Fax: 904.861.0098
E-mail: info@WealthGuards.com
Web: www.WealthGuards.com

Additional information about Paragon Wealth Strategies, LLC also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 146543.

Paragon Wealth Strategies, LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2

Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

This Firm Brochure, dated April 15, 2014, includes two material changes since our last Firm Brochure dated March 25, 2014.

- We have applied for registration with the SEC due to assets under management reaching the threshold which requires this registration change.
- Information for new minority owner, Karen Rasmussen, has been added.

Item 3

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Item 4

Advisory Business

Paragon Wealth Strategies, LLC is a registered investment adviser with its principal place of business located in Florida. Paragon Wealth Strategies, LLC began conducting business in 2008, after departing from its affiliation from 2005-2008 as a branch office of The Householder Group.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Jonathan N. Castle, Managing Partner & Chief Investment Officer, 50.81%
- Michelle L. Ash, Managing Partner & Chief Operating Officer, 48.81%

Additionally, the firm's employee, Karen Rasmussen, who serves as Client Service Supervisor, is a minority owner in the firm.

Paragon Wealth Strategies, LLC offers the following two (2) advisory services to our clients:

1) INVESTMENT SUPERVISORY SERVICES ("ISS")

INDIVIDUAL PORTFOLIO MANAGEMENT

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

The portfolios we construct are not limited to any specific product or service offered by a broker-dealer or insurance company. However, based upon our research and philosophy, our portfolios will typically consist of and will generally include advice regarding the following securities

- No-Load Mutual fund shares, often institutional shares not available to retail investors

- Exchange Traded Funds (ETFs)
- Individual Government Fixed-Income Bonds and CDs
- Corporate debt securities (other than commercial paper)

Depending upon the individual client's circumstance, we may offer **advice** on the following types of investments. However, based upon our research and investment philosophy, we will **not typically use** the following types of investments in a portfolio that we construct:

- Exchange-listed securities (ie. stocks) (except for ETFs)
- Securities traded over-the-counter
- Municipal securities
- Variable life insurance
- Variable annuities
- Options contracts on securities
- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests
- Interests in partnerships investing in other assets such as equipment leasing

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

How to Engage Our Investment Supervisory Services

To engage us to provide you with investment supervisory services, you will generally be required to enter into a written agreement with us, setting forth the terms and conditions of the engagement and describing the scope of the services

2) FINANCIAL PLANNING

We also provide financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, and liability.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.

Financial Planning Process

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

Typically the financial plan is presented to the client within three months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

Client is Not Obligated to Follow Recommendations or Utilize Recommended Services

Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature. Paragon Wealth Strategies, LLC may recommend the services of itself and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if the Paragon Wealth Strategies, LLC recommends its own services. The client is under no obligation to act upon any of the recommendations made by us under a financial planning / consulting engagement. You are also under no obligation to engage the services of any such recommended professional, including ourselves.

Client Responsibility to Verify Data Accuracy

In performing our services, we do not attempt to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) through outside sources. We are expressly authorized to rely on information from the client. It is very important that you provide us with accurate information because the recommendations we make will be based on the data you give us. Moreover, it remains your responsibility to promptly notify us if there is ever any change in your financial situation or investment objectives so we may review, evaluate or revisit our previous recommendations and/or services.

How to Engage Our Financial Planning Services

Our financial planning services are often, though not always, provided as a component of our Investment Supervisory Services. To engage us to provide you with financial planning services, you will generally be required to enter into a written agreement with us, setting forth the terms and conditions of the engagement and describing the scope of the services.

GENERAL TERMS APPLIED TO ALL SERVICES

Disclosure Document Provided to Client

A copy of Paragon Wealth Strategies, LLC's privacy policy notice and a written disclosure statement that meets the requirements of Rule 204-3 of the Investment Advisers Act of 1940, as amended ("Advisers Act"), shall be provided to each client prior to or contemporaneously with the execution of the Agreement. Any client who has not received a copy of our written disclosure statement at least forty-eight (48) hours prior to executing the Agreement shall have five (5) business days after executing the Management Agreement to terminate our services without cost or penalty. You are presently reading our disclosure document that complies with the requirements of Rule 204-3.

Assignability of Management Agreement

Neither Paragon Wealth Strategies, LLC nor the client may assign the Management Agreement without the consent of the other party. Transactions that do not result in a change of actual control or management of Paragon Wealth Strategies, LLC shall not be considered an assignment.

AMOUNT OF MANAGED ASSETS

As of April 15, 2014:

	Discretionary	Non-Discretionary	Total
Assets Managed	\$ 110,166,236	\$ 1,505,936	\$111,672,172

Item 5

Fees and Compensation

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO

MANAGEMENT FEES

Our annual fees for Investment Supervisory Services are based upon a percentage of assets under management and generally range from 0.50% to 1.25%.

The annualized fee for Investment Supervisory Services is charged as a percentage of assets under management, according to the following tiered fee schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
\$0 - \$999,999.99	1.25%
\$1,000,000 - \$2,499,999.99	1.00%
\$2,500,000 - \$4,999,999.99	0.80%
\$5,000,000 - \$9,999,999.99	0.70%
\$10,000,000 - \$24,999,999.99	0.60%
Over \$25 Million	0.50%

Minimum account size and grouping of related client accounts

A minimum of \$500,000 of assets under management is required for this service. This account size may be negotiable under certain circumstances. Paragon Wealth Strategies, LLC may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee. (Example: Client has an IRA account and individual brokerage account, each worth \$250,000. These two accounts will be grouped to achieve the \$500,000 minimum of assets under management.)

However, Paragon Wealth Strategies, LLC will not group related client accounts for the purposes

of achieving the assets under management or a higher tier on the fee schedule under any of the following circumstances:

- Assets not managed by the firm but held with the firm's Custodian will generally not be included in calculation of the assets under management or a higher tier on the fee schedule.
- If a client has assets managed by the firm but held at different Custodians, these assets will generally not consolidate in order to achieve a higher tier on the different programs' respective fee schedules.

Accommodation Accounts and Non-managed Accounts

Paragon Wealth Strategies, LLC reserves the right to offer clients the ability to open accounts with the firm that will not be managed by us. We refer to these accounts as "accommodation accounts" and/or "non-managed" accounts. The purpose of these accounts is, among other things, to allow clients the opportunity to consolidate assets with one Custodian. As mentioned in the previous paragraph, these accounts will not be considered when calculating a client's assets under management or the client's tiered fee. However, Paragon Wealth Strategies, LLC will be responsible for servicing these accounts, to include placing client-directed trades, assisting clients with adding or withdrawing funds, and other account service needs. Paragon reserves the right to withdraw this feature at any time during the client relationship by "de-linking" an account from Paragon's authorization with the Custodian. If an account is de-linked, it will become a retail account of the Custodian, and the client will contact the Custodian for trading and servicing of the account. Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

Direct Debit

Our firm directly debits advisory fees from client accounts when possible based on client account type and client authorization through our Management Agreement. The advisory fee will be debited quarterly, in advance, based upon the market value of the assets on the last day of the previous quarter as valued by the Custodian. Our fees will vary each quarter based on the value of the assets we manage. If the value of the assets goes up, our fee will increase. If the value of the assets goes down, our fee will decrease.

Calculation of Advisory Fees

Our advisory fees are calculated each quarter by applying the tiered fee schedule above to the total amount of assets in the client accounts we manage, and then dividing the annual fee into quarterly installments of $\frac{1}{4}$ of the annual amount.

An example of this calculation is as follows:

Assets Under Management as of 12/31/2013 = \$500,000

Applicable Annual Fee = 1.25%

Calculation: $(\$500,000 \times 1.25\%)/4 = \$1,562.50$ debit for the quarter beginning 1/1/2014

Tiered fee schedule

For clients whose value of assets managed exceeds \$1,000,000 (One Million), a reduced fee based on the tiered schedule will apply. It is important to understand how a tiered fee schedule works. A tiered fee schedule applies the fee for the first tier (in our case, the first \$999,999.99 of assets) to that amount. Assets over that amount have the next tier's amount applied, until that tier's maximum amount is reached. At that point, the third tier is applied, and so on.

Here is an example of how the tiered fee schedule is applied:

Assets Under Management as of 12/31/2013 = \$2,000,000

Applicable Annual Fee =

1.25% on the first \$999,999.99 under management

1.00% on the remaining \$1,000,000.01 under management

Calculation:

$(\$999,999.99 \times 1.25\%)/4 = \$3,125.00 + (\$1,000,000.01 \times 1.00\%)/4 = \$2,500.00$

Total: $\$3,125.00 + \$2,500.00 = \$5,625$ debit for the quarter beginning 1/1/2014

The purpose of a tiered fee schedule is to avoid a potential conflict of interest in growing a client's assets. If our fee schedule was a flat-fee schedule instead of a tiered fee schedule, then a conflict of interest might be created, in that our firm would receive reduced fees by growing a client's account to the point at which the client exceeds a breakpoint. Similarly, a tiered fee schedule also helps a client avoid increased fees if their assets under management decline, which is another consequence of a flat-fee schedule.

Initial Quarter's Advisory Fee

The advisory fee for the initial quarter shall be calculated on a pro rata basis commencing on the day the assets are initially designated to us for management under the Management Agreement. Our firm reserves the right to defer commencement of the initial billing until such time that the account's agreed-to allocation and structure is built, but in no case will this deferred commencement result in a higher fee to the client than they would have otherwise paid had the fee been debited immediately at the time designated to us for management.

Impact of Account Additions or Withdrawals

You may make additions to and withdrawals from the Account at any time, subject to our right to terminate an account. If assets are deposited to or withdrawn from an account after the inception of a quarter the advisory fee payable with respect to the assets will not be prorated based on the number of days remaining in the quarter. Clients may withdraw assets from the account after providing us with notice. All withdrawals are subject to customary securities settlement procedures.

Termination and Advisory Fees

After executing a Management Agreement for our services, clients initially have five (5) business days from the date of execution of the Management Agreement to terminate our services. After that time, the Management Agreement will continue in effect indefinitely from the initial date, but may be terminated at any time upon receipt of written notice to terminate by either party to the other. The written notice must be manually signed by the terminating party. If the Management Agreement is terminated after the commencement of a calendar quarter billing period, the unearned portion of the advisory fee will be promptly refunded to the account it was debited from.

Fee Increases

No increase in the Management Fee shall be effective without prior written notification to the client.

Custodian's Statements, Client Responsibility

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period. Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

Direct Billing Option

Instead of direct debit of advisory fees from client accounts, clients may request to be billed for fees incurred. In these circumstances, the calculation of our fees is identical to that described in the preceding paragraphs. Instead of direct debit from the client account, the client will be sent an invoice for payment of advisory fees. Generally, we will request payment under Net 10 terms. Termination of our services after the commencement and payment for a calendar quarter billing period will result in the unearned portion of the advisory fee being promptly refunded to the client by check sent via regular mail.

Limited Negotiability of Advisory Fees

Although Paragon Wealth Strategies, LLC has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, and reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

Fee schedules other than as stated at the beginning of this section may be in place with existing clients based on the advisory fees in effect at the time the client entered into the advisory relationship. Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

FINANCIAL PLANNING FEES

In general, our financial planning services are typically provided as a component of our Investment Supervisory Services. If financial planning is quoted separately, then Paragon Wealth Strategies, LLC's Financial Planning fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Our Financial Planning fees are typically calculated and charged on a fixed fee basis, typically ranging from \$185 to \$50,000, depending on the specific arrangement reached with the client.

Our Financial Planning fees may occasionally be calculated and charged on an hourly basis instead of a fixed fee basis, at Paragon's discretion. Our hourly fees range from \$185 to \$350 per hour. Although the length of time it will take to provide a Financial Plan will depend on each client's personal situation, we will provide an estimate for the total hours at the start of the advisory relationship. Under hourly engagements, actual fees are calculated at the end of the engagement and charged in arrears. Fees will be reduced by any retainer requested (see below).

We typically request a retainer upon completion of our initial fact-finding session with the client; however, advance payment will never exceed \$500 for work that will not be completed within six months. The balance is due upon completion of the plan.

Financial Planning Fee Offset:

Paragon Wealth Strategies, LLC reserves the discretion to reduce or waive the minimum fixed fee and/or the hourly fee if a financial planning client chooses to engage us for our Investment Supervisory Services.

OTHER GENERAL INFORMATION (NOT SERVICE-SPECIFIC)

Termination of the Advisory Relationship:

A client agreement may be canceled at any time, by either party, for any reason upon receipt of five (5) days written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period (when applicable).

Mutual Fund Fees:

All fees paid to Paragon Wealth Strategies, LLC for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. Generally, as a matter of course, Paragon will not recommend funds that impose sales charges. A client could invest in a mutual fund directly, without our services. However, to reduce investor costs, Paragon may use institutional funds not available for direct investment by retail investors. In the case that a client chose to invest in available retail mutual funds directly, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Additional Fees and Expenses:

In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges

imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

Grandfathering of Minimum Account Requirements and Advisory Fees:

Pre-existing advisory clients are subject to Paragon Wealth Strategies, LLC's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

Advisory Fees in General:

Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees:

Under no circumstances do we require or solicit payment of fees in excess of \$500 more than six months in advance of services rendered.

Item 6

Performance-Based Fees and Side-By-Side Management

A performance-based fee is a fee based on the firm receiving a share of capital gains on, or capital appreciation of, the assets of the client. Paragon Wealth Strategies, LLC **does not offer** advisory relationships that charge performance-based fees.

Item 7

Types of Clients

Paragon Wealth Strategies, LLC provides advisory services to the following types of clients:

- High net worth individuals
- Individuals (other than high net worth individuals)

As previously disclosed in the "Fees and Compensation" section (Item 5), our firm has established

certain initial minimum account requirements, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service.

Item 8

Methods of Analysis, Investment Strategies and Risk of Loss

METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Charting. In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

A risk in using charting is that it may be based on assumptions that prove to be incorrect. Charts reflect the price movements of markets and securities in the past - and while past events and market cycles may repeat themselves, charting past events cannot accurately predict unforeseen political or life events which occur in the future and affect market movements.

Technical Analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Fundamental Analysis. Fundamental analysis attempts to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Generally, we subscribe to the Efficient Market Hypothesis and believe that markets are reasonably efficient and integrate all known and imagined information rapidly throughout the entire market. As such, we and other proponents of the Efficient Market Hypothesis believe that, more often than not, securities are properly priced by the markets themselves and underpricing and inefficiencies are either random, or the result of unexpected and unforeseeable events which

makes them extremely difficult to detect and act upon. In accordance with this philosophy, we will typically recommend low-cost Index Funds or Exchange Traded Funds versus individual securities or actively managed mutual funds that attempt to "beat the market" by identifying underpriced securities and buying those securities versus owning an entire sector, index, or market.

For clients who already own individual securities, and for various reasons do not wish to sell those securities to build an asset allocation portfolio (such as a high tax impact of selling an appreciated security) we will occasionally advise the client on the prudence of holding the security using Fundamental Analysis.

Cyclical Analysis. In this type of technical analysis, we measure the movements of a market sector against the overall market in an attempt to predict the price movement of that particular sector throughout market cycles.

A risk in using cyclical analysis is that it may be based on assumptions that prove to be incorrect.

Mutual Fund and/or ETF Analysis. We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

INVESTMENT STRATEGIES

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Asset Allocation. Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Long-term purchases. We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- We want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Margin transactions.

PARAGON **generally does not use** margin strategies. We will execute margin strategies only at a client's direction and not in discretionary portfolios. In those circumstances, we may purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings.

A risk in using the leverage available through margin transactions is that, if the value of the margined securities should fall, you may receive a margin call – requiring either the additional deposit of cash, or sale of securities, in order to settle the call. This may occur at a time when it is otherwise not favorable to sell a security.

You must complete an application for margin privileges with your account custodian, and they must approve that request, prior to the ability to use this strategy.

Option writing.

PARAGON **generally does not use** options strategies in accounts we manage with discretionary

authority. Options strategies will only be recommended and implemented based upon individual client needs (such as large, inherited stock positions) and only after detailed discussion of the strategy with that particular client.

We allow clients to use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives you the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock is likely to increase substantially before the option expires.
- A put gives you the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock is likely to fall before the option expires.

There are several possible options strategies we may use:

- We may use options to speculate on the possibility of a sharp price swing. We may also use options to "hedge" a purchase of the underlying security; in other words, we may use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio. A risk of this strategy is that our speculation may be incorrect and the price of the options will be an additional cost which does not provide you any economic benefit.
- We may use "covered calls", in which we sell an option on a security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price. A risk of this strategy is that the buyer of your call may choose to exercise their option, and the security you own will be "called away". If this happens, you will no longer own the security, and will not have the potential benefit of future gains in value, dividends, or income from it.
- We may use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors. A risk of this strategy is that the security may not fluctuate as we anticipate, and the cost of the options will be an additional cost which does not provide you any economic benefit.

You must complete an application for options privileges with your account custodian, and they must approve that request, prior to the ability to use this strategy.

RISK OF LOSS

Securities investments are **not guaranteed and you may lose money on your investments.** You should be prepared to bear this risk. We ask that you work with us to help us understand your tolerance for risk.

Item 9

Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

Item 10

Other Financial Industry Activities and Affiliations

Conflicts of Interest - General

Clients should be aware that the receipt of additional compensation by Paragon Wealth Strategies, LLC and its management persons or employees when additional assets are placed with our firm creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. We endeavor at all times to put the interest of our clients first as part of our fiduciary duty as a registered investment adviser. We take the following steps to address this conflict:

- We disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn additional compensation from advisory clients when considering placing additional assets with our firm;
- We disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- We collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- Our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- We require that our employees seek prior approval of any outside employment activity so

that we may ensure that any conflicts of interests in such activities are properly addressed;

- We periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

Item 11

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Fiduciary Duty to Clients

Paragon Wealth Strategies, LLC and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Overview

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts. For purposes of this Code, the term "security" includes not only stocks, but also options, rights, warrants, futures contracts, and convertible securities. This policy is not applicable for securities that are not "reportable securities", which includes mutual funds, money market funds, CDs, commercial paper, and government treasuries. It is also not applicable to Exchange Traded

Funds (ETFs), since these are becoming as commonly used as mutual funds.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

Policies and Procedures for Implementation of Code of Ethics

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

- No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
- No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
- It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
- Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
- We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
- All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
- We have established policies requiring the reporting of Code of Ethics violations to our senior management.

- Any individual who violates any of the above restrictions may be subject to termination.

Employees' Reporting Requirements

Our Code of Ethics includes policies and procedures for the review of employees' quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Use of Material Non-Public Information Prohibited

Paragon Wealth Strategies, LLC's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

Other Prohibited Actions

Paragon Wealth Strategies, LLC and individuals associated with our firm are prohibited from engaging in principal transactions. Principal transactions are transactions that occur with our clients from our own accounts. Paragon Wealth Strategies, LLC and individuals associated with our firm are prohibited from transactions that buy securities from you for our own accounts, or sell securities to you from our own accounts.

Paragon Wealth Strategies, LLC and individuals associated with our firm are prohibited from engaging in agency cross transactions. An agency cross transaction happens when one person serves as broker to both the buyer and the seller. Paragon Wealth Strategies, LLC and individuals associated with our firm are prohibited from acting in this capacity that would help one client sell a holding directly to another client. The reason for this rule is to ensure there is no favoritism of one client over another.

Copy of Code of Ethics Available to Clients

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to Michelle Ash at michelle.ash@wealthguards.com, or by calling us at (904) 861-0093.

Item 12

Brokerage Practices

Directed Brokerage

For discretionary clients, Paragon Wealth Strategies, LLC requires these clients to provide us with written authority to determine the broker dealer to use and the commission costs that will be charged to these clients for these transactions. Please refer to the "Investment Discretion" section (Item 16) for additional information about discretionary clients. Please refer to the "Fees and Compensation" section (Item 5) of this Form ADV for additional information about commission costs.

Brokerage Services Provided by Fidelity and TD Ameritrade

Paragon Wealth Strategies, LLC has arrangements with two firms for brokerage services: 1) National Financial Services LLC, and Fidelity Brokerage Services LLC (together with all affiliates, "Fidelity"); and 2) TD Ameritrade Institutional, a division of TD Ameritrade Inc. ("TD Ameritrade"), member FINRA/SIPC/NFA. TD Ameritrade is an independent SEC-registered broker-dealer. These firms provide our firm with their "platform" services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support intermediaries like Paragon Wealth Strategies, LLC in conducting business and in serving the best interests of our clients but that may also benefit us.

Fidelity and TD Ameritrade charge brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Both firms enable Paragon Wealth Strategies, LLC to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Both firms' commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by either or both Fidelity and TD Ameritrade may be higher or lower than those charged by other custodians and broker-dealers.

As part of the arrangement, both firms also make available to our firm, at no additional charge to us, certain research and brokerage services, including research services obtained by Fidelity or TD Ameritrade directly from independent research companies, as selected by Paragon Wealth Strategies, LLC (within specified parameters). The brokerage services presently include services such as computer software and related systems support, which allow us to better monitor client accounts maintained at with each firm. We may receive the software and related support without cost because we render investment management services to clients that maintain assets at Fidelity and/or TD Ameritrade. The software and related systems support may benefit us, but not our clients directly. In fulfilling our duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that our receipt of economic benefits from a

broker-dealer creates a conflict of interest since these benefits may influence our choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Additionally, we may receive the following benefits from Fidelity through the Fidelity Registered Investment Advisor Group, or TD Ameritrade through the TD Ameritrade Institutional Program: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Registered Investment Advisor Group or Institutional Program 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 net.

Without this arrangement, we might be compelled to purchase the same or similar services at our own expense.

Analysis of Potential Conflict of Interest

As a result of receiving such services for no additional cost, we may have an incentive to continue to use or expand the use of Fidelity and/or TD Ameritrade's services. We examined this potential conflict of interest when we chose to enter into these relationships and have determined that the relationship is in the best interests of Paragon Wealth Strategies, LLC's clients and satisfies our client obligations, including our duty to seek best execution. Though we attempt to determine in good faith that the commissions are reasonable in relation to the value of the brokerage and research services received, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction.

Best Execution

Our duty to our clients is to seek "best execution". Best execution's most 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 broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, while Paragon Wealth Strategies, LLC will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the investment research products and services that may be obtained by us will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account.

Paragon Wealth Strategies, LLC is not affiliated with either Fidelity or TD Ameritrade. Paragon Wealth Strategies, LLC will periodically and systematically review its policies and procedures regarding recommending broker-dealers to its client in light of its duty to obtain best execution.

Client-Directed Brokerage

If you prefer, you may direct us in writing to use a particular broker-dealer to execute some or all transactions for you. In that case, you will negotiate terms and arrangements for the account with that broker-dealer, and we will not seek better execution services or prices from other broker-dealers or be able to “batch” your transactions for execution through other broker-dealers with orders for other accounts managed by us (as described below). As a result, you may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to our duty of best execution, we may decline your request to direct brokerage if, in our sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Block Trading Policy and Practice

Definition of Block Trading

Block Trading means to submit an order for sale or purchase of a large quantity of securities, sometimes accomplished through aggregating multiple clients’ orders. This is also known as creating a “batch”, or “batching” an order.

General Policy

As a matter of policy and practice, Paragon Wealth Strategies, LLC does not generally block client trades, unless we decide to purchase or sell the same securities for several clients at approximately the same time.

Impacts of Trading Without Block Trades

If we do not block trade, then we implement client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisers who block client trades.

Practice when Block Trading

We may, but are not obligated to, combine or “batch” such orders to obtain best execution, negotiate more favorable commission rates, or to allocate equitably among our clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently.

Under this procedure, transactions will generally be averaged as to price and allocated among our clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that we determine to aggregate client orders for the purchase or sale of securities, including securities in which our Advisory Affiliate(s) may invest, we shall generally do 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. We do not receive any additional compensation as a result of the aggregation.

In the event that we determine that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include:

- 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.
- 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.
- 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).
- With respect to sale allocations, allocations may be given to accounts low in cash.
- In cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, we may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts.
- 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.

Item 13

Review of Accounts

INVESTMENT SUPERVISORY SERVICES- INDIVIDUAL PORTFOLIO MANAGEMENT

REVIEWS: While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are

reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by one or more of the following individuals:

- Jonathan N. Castle, Managing Partner and Chief Investment Officer
- Michelle L. Ash, Managing Partner
- Kristine d'Esterhazy, Service Advisor

REPORTS: In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we provide quarterly reports summarizing account performance, balances and holdings.

FINANCIAL PLANNING SERVICES

REVIEWS: While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

REPORTS: Financial Planning clients who engage us by a financial planning contract will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for. Clients who receive financial planning services as a part of Investment Supervisory Services may receive financial plans and/or reports, at the firm's discretion, generally as determined to be applicable to the client's need and situation.

GENERAL INFORMATION APPLICABLE TO ALL SERVICES

All investment advisory clients are encouraged to discuss their needs, goals, and objectives with us and to keep us informed of any changes thereto. Paragon Wealth Strategies, LLC shall contact ongoing investment advisory clients at least annually to review our previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Item 14

Client Referrals and Other Compensation

CLIENT REFERRALS

Our firm **may, but does not currently**, pay referral fees to independent persons or firms

("Solicitors") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our *Firm Brochure*) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with our firm;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to us by clients referred by solicitors are **not increased** as a result of any referral.

OTHER COMPENSATION

Our firm and/or our officers and representatives are NOT eligible to receive incentive awards (including prizes such as trips or bonuses) from any outside firm, investment product, company, or custodian.

Item 15

Custody

Custody is a service in which a brokerage or other financial institution holds securities on behalf of the client. Generally, the firm providing brokerage services also provides custody services. Please see the "Brokerage Practices" section (Item 12) for further details.

Our firm **does not have** actual or constructive custody of client accounts.

Discretionary Accounts

For clients for whom we direct brokerage, Fidelity and/or TD Ameritrade generally has custody of client's securities.

Non-Discretionary Accounts

We may also render non-discretionary investment management services to clients relative to: (1) variable life/annuity products that they may own, and/or (2) their individual employer sponsored retirement plans. In so doing, we either direct or recommend the allocation of client assets among

the various mutual fund subdivisions that comprise the variable life/annuity product or the retirement plan. The client assets are maintained at either the specific insurance company that issued the variable life/annuity product owned by the client, or at the custodian designated by the sponsor of the client's retirement plan.

NOTE: Trades for discretionary clients may be placed ahead of non-discretionary clients.

Reporting Requirements and Frequency

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts when possible based on client account type and client authorization through our Management Agreement.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

Item 16

Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

Item 17

Voting Client Securities

As a matter of firm policy, we **do not vote proxies** on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for:

1. Directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and
2. Making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.

Clients are responsible for instructing each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

Item 18

Financial Information

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. Paragon Wealth Strategies, LLC has no financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$500 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement in this document.

Paragon Wealth Strategies, LLC has not been the subject of a bankruptcy petition at any time.

Part 2B of Form ADV: Brochure Supplement

For

Jonathan N. Castle

Paragon Wealth Strategies, LLC

March 25, 2014



This brochure supplement provides information about **Jonathan N. Castle** that supplements the Paragon Wealth Strategies LLC brochure. You should have received a copy of that brochure. Please contact Michelle Ash, Managing Partner, if you did not receive Paragon Wealth Strategies LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Jonathan Neal Castle is available on the SEC's website at www.adviserinfo.sec.gov.

Paragon Wealth Strategies
10245 Centurion Pkwy N.
Suite 106
Jacksonville, FL 32256
Phone: 904.861.00936
Fax: 904.861.0098
E-mail: info@wealthguards.com
Web: www.WealthGuards.com

Item 2

Educational, Background and Business Experience

Full Legal Name: Jonathan Neal Castle

Born: 1967

Education

- The United States Military Academy at West Point; Bachelor of Science, Multi-disciplinary; 1989
- College for Financial Planning; Non-degree program, Certified Financial Planner™ courses; 2006
- The American College; Masters of Science, Financial Services; July 2013

Business Experience

- Paragon Wealth Strategies LLC; Managing Partner & Chief Investment Officer; from 07/2008 to Present
- The Householder Group; Regional Vice President; from 01/2005 to 06/2008
- First Command Financial Planning; District Manager & Registered Principal; from 07/97 to 01/2005
- First Command Financial Planning; Financial Advisor & Registered Representative; from 07/95 to 07/1997

Designations

Mr. Castle has earned the following designation(s) and is in good standing with the granting authority:

Certified Financial Planner (CFP); Certified Financial Planner Board of Standards, Inc.;2007

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical

requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- **Education** – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- **Examination** – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- **Experience** – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- **Ethics** – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- **Continuing Education** – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- **Ethics** – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Item 3

Disciplinary Information

Mr. Castle has no reportable disciplinary history.

Item 4

Other Business Activities

A. Investment-Related Activities

1. Mr. Castle is not engaged in any other investment-related activities.
2. Mr. Castle does not receive commissions, bonuses or other compensation on the sale of

securities or other investment products.

B. Non Investment-Related Activities

1. Mr. Castle is not engaged in any other non investment-related activities.
2. Mr. Castle does not receive commissions, bonuses or other compensation on the sale of any other non investment products.

Item 5

Additional Compensation

Mr. Castle does not receive any economic benefit from a non-advisory client for the provision of advisory services.

Item 6

Supervision

Supervisor: Michelle Ash

Title: Managing Partner

Phone Number: (904) 861-0093

Details Regarding Supervisory Oversight Practices:

Paragon Wealth Strategies LLC conducts the majority of its client meetings as a team of advisors, to aid in objectivity and sound decision making. This team approach also allows a supervising advisor to be present during most of the client interactions conducted. Additionally, our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances.

We require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed. We periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm.

We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

Part 2B of Form ADV: Brochure Supplement

For

Michelle Lynne Ash

Paragon Wealth Strategies, LLC

March 25, 2014



Paragon Wealth Strategies
10245 Centurion Pkwy N.
Suite 106
Jacksonville, FL 32256
Phone: 904.861.00936
Fax: 904.861.0098
E-mail: info@wealthguards.com
Web: www.WealthGuards.com

This brochure supplement provides information about **Michelle Lynne Ash** that supplements the Paragon Wealth Strategies LLC brochure. You should have received a copy of that brochure. Please contact Jonathan Castle, Managing Partner, if you did not receive Paragon Wealth Strategies LLC's brochure or if you have any questions about the contents of this supplement.

Item 2

Educational, Background and Business Experience

Full Legal Name: Michelle Lynne Ash

Born: 1973

Education

- University of Louisville; Bachelor of Arts, Spanish/Business; 1995
- Florida State College at Jacksonville; Non-degree program, Certified Financial Planner courses; 2005
- The American College; Non-degree program, Chartered Advisor for Senior Living courses; 2012

Business Experience

- Paragon Wealth Strategies LLC; Managing Partner; from 07/2008 to Present
- The Householder Group; Financial Advisor; from 01/2005 to 06/2008
- First Command Financial Planning; Financial Advisor & Registered Representative; from 04/2002 to 12/2004
- First Command Financial Planning; Practice Manager; from 07/1998 to 04/2002

Designations

Ms. Ash has earned the following designation(s) and is in good standing with the granting authority:

Certified Financial Planner (CFP); Certified Financial Planner Board of Standards, Inc.; 2006

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical

requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- **Education** – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- **Examination** – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- **Experience** – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- **Ethics** – Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- **Continuing Education** – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- **Ethics** – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Chartered Advisor for Senior Living (CASL); The American College; 2013

The CASL® program is considered the most comprehensive curriculum available for financial advisors interested in effectively serving the unique financial needs of seniors. Once the program is completed, a Chartered Advisor for Senior Living" can provide expert advice on a broad range of financial topics including health insurance, long term care financing, pension planning, trusts, Medicare and Medicaid supplemental planning, financial and estate planning, and more. Over 2,800 individuals have been awarded the CASL® designation since its inception in April of 2004.

- **Education** - This curriculum includes five modules which include the following:
 - Investments
 - Fundamentals of Estate Planning
 - Understanding the Older Client
 - Health & Long-Term Care Financing for Seniors

- Financial Decisions for Retirement
- **Examination** - An examination must be taken and passed for each course listed above. Upon completion of all examinations, an application is submitted and the designation awarded by The American College.
- **Experience** - The experience requirement for the CASL designation may be satisfied by either achieving the experience requirements for The College's CLU, ChFC, RHU, REBC, and CLF designations, OR advising clients on financial and/or practical matters relating to their retirement years or on issues dealing with aging for at least three of the five years preceding the awarding of the designation.
- **Ethics** - Each designee will be required to adhere to The College's Code of Ethics and Procedures.
- **Ongoing Certification Requirements** - Each designee must complete 15 hours of continuing education every two years with the additional condition that at least 10 of these hours should be in course work directly related to the course work required to obtain the designation.

Item 3

Disciplinary Information

Ms. Ash has no reportable disciplinary history.

Item 4

Other Business Activities

A. Investment-Related Activities

1. Ms. Ash is not engaged in any other investment-related activities.
2. Ms. Ash does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

B. Non Investment-Related Activities

1. Ms. Ash is not engaged in any other non investment-related activities.
2. Ms. Ash does not receive commissions, bonuses or other compensation on the sale of any other non investment products.

Item 5

Additional Compensation

Ms. Ash does not receive any economic benefit from a non-advisory client for the provision of advisory services.

Item 6

Supervision

Supervisor: Jonathan Castle

Title: Managing Partner

Phone Number: (904) 861-0093

Details Regarding Supervisory Oversight Practices:

Paragon Wealth Strategies LLC conducts the majority of its client meetings as a team of advisors, to aid in objectivity and sound decision making. This team approach also allows a supervising advisor to be present during most of the client interactions conducted. Additionally, our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances.

We require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed. We periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm.

We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

Part 2B of Form ADV: Brochure Supplement

For

Kristine Abra d'Esterhazy

Paragon Wealth Strategies, LLC

March 25, 2014



Paragon Wealth Strategies

10245 Centurion Pkwy N.
Suite 106

Jacksonville, FL 32256

Phone: 904.861.00936

Fax: 904.861.0098

E-mail: info@wealthguards.com

Web: www.WealthGuards.com

This brochure supplement provides information about **Kristine Abra d'Esterhazy** that supplements the Paragon Wealth Strategies LLC brochure. You should have received a copy of that brochure. Please contact Michelle Ash, Managing Partner, if you did not receive Paragon Wealth Strategies LLC's brochure or if you have any questions about the contents of this supplement.

Item 2

Educational, Background and Business Experience

Full Legal Name: Kristine Abra d'Esterhazy **Born:** 1973

Education

- Binghamton University; Bachelor of Arts, History; 1995
- Boston University; M.A., International Relations; 1998

Business Experience

- Paragon Wealth Strategies LLC; Service Advisor; from 03/2013 to Present
- Life Management Advisors, Inc.; Client Advisor; from 05/2010 to 02/2013 and 05/2005 to 05/2007
- Life Management Advisors, Inc.; Professional Guardian; from 07/2011 to 03/2013
- Ivan, Cole, Bonnette & Kane, PA; Paralegal – Trust and Estates; from 05/2007 to 05/2010

Designations

Kristine Abra d'Esterhazy has earned the following designation(s) and is in good standing with the granting authority:

Certified Financial Planner (CFP); Certified Financial Planner Board of Standards, Inc.; 2004

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

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- **Examination** – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- **Experience** – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- **Ethics** – Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

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CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Certified Paralegal (CP); National Association of Legal Assistants; 2009

Established in 1976, the CLA (Certified Legal Assistant) program has enabled the profession to develop a strong and responsive self-regulatory program offering a nationwide credential for legal assistants. The Certified Paralegal program establishes and serves as a:

- National professional standard for legal assistants
- Means of identifying those who have reached this standard.
- Credentialing program responsive to the needs of legal assistants and responsive to the fact that this form of self-regulation is necessary to strengthen and expand development of this career field.
- Positive, ongoing, voluntary program to encourage the growth of the legal assistant profession, attesting to and encouraging a high level of achievement.

Those who are admitted to the Certified Paralegal program, and successfully complete the examination may use the CP credential.

Education

- (1). Graduation from a paralegal program that is:
 - (a) Approved by the American Bar Association; or
 - (b) An associate degree program; or
 - (c) A post-baccalaureate certificate program in paralegal studies; or
 - (d) A bachelor's degree program in paralegal studies; or
 - (e) A paralegal program which consists of a minimum of 60 semester hours (900 clock hours or 90 quarter hours) of which at least 15 semester hours (225

clock hours or 22.5 quarter hours) are substantive legal courses.

- (2). A bachelor's degree in any field plus one year's experience as a paralegal. Successful completion of at least 15 semester hours (or 22.5 quarter hours or 225 clock hours) of substantive paralegal courses will be considered equivalent to one year's experience as a paralegal.
- (3). A high school diploma or equivalent plus seven (7) years' experience as a paralegal under the supervision of a member of the Bar, plus evidence of a minimum of twenty (20) hours of continuing legal education credit to have been completed within a two (2) year period prior to the examination date.

Examination – Pass the Certified Paralegal (CP) Examination. The examination is divided into five sections, Communications, Ethics, Legal Research, Judgment & Analytical Ability, and American Legal System.

Recertification – CP credential is valid for a period of five (5) years. It may be renewed upon submission of proof of participation in 50 clock hours of continuing legal education (CLE) program. 5 of the 50 hours of CLE credit must be on the subject of legal ethics.

Ethics - Must sign a recertification affidavit swearing they have not violated the NALA Code of Ethics, nor been convicted of a felony or the unauthorized practice of law.

Item 3

Disciplinary Information

Ms. d'Esterhazy has no reportable disciplinary history.

Item 4

Other Business Activities

A. Investment-Related Activities

1. Ms. d'Esterhazy is not engaged in any other investment-related activities.
2. Ms. d'Esterhazy does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

B. Non Investment-Related Activities

3. Ms. d'Esterhazy is not engaged in any other non investment-related activities.
4. Ms. d'Esterhazy does not receive commissions, bonuses or other compensation on the sale of any other non investment products.

1. Item 5

Additional Compensation

Ms. d'Esterhazy does not receive any economic benefit from a non-advisory client for the provision of advisory services.

Item 6

Supervision

Supervisor: Michelle Ash
Title: Managing Partner
Phone Number: (904) 861-0093

Details Regarding Supervisory Oversight Practices:

Paragon Wealth Strategies LLC conducts the majority of its client meetings as a team of advisors, to aid in objectivity and sound decision making. This team approach also allows a supervising advisor to be present during most of the client interactions conducted. Additionally, our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances.

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We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

PRIVACY POLICY NOTICE
PARAGON WEALTH STRATEGIES, LLC.

Paragon Wealth Strategies, LLC. has adopted this policy with recognition that protecting the privacy and security of the personal information we obtain about our customers is an important responsibility. We also know that you expect us to service you in an accurate and efficient manner. To do so, we must collect and maintain certain personal information about you. We want you to know what information we collect and how we use and safeguard that information.

WHAT INFORMATION WE COLLECT

We collect certain nonpublic personal identifying information about you (such as your name, address, social security number, etc.) from information that you provide on applications or other forms as well as communications (electronic, telephone, written or in person) with you or your authorized representatives (such as your attorney, accountant, etc.). We also collect information about your brokerage accounts and transactions (such as purchases, sales, account balances, inquiries, etc.).

WHAT INFORMATION WE DISCLOSE

We do not disclose the nonpublic personal information we collect about our customers to anyone except: (i) in furtherance of our business relationship with them and then only to those persons necessary to effect the transactions and provide the services that they authorize (such as broker-dealers, custodians, independent managers etc.); (ii) to persons assessing our compliance with industry standards (e.g., professional licensing authorities, etc.); (iii) our attorneys, accountants, and auditors; or (iv) as otherwise provided by law.

We are permitted by law to disclose the nonpublic personal information about you to governmental agencies and other third parties in certain circumstances (such as third parties that perform administrative or marketing services on our behalf or for joint marketing programs). These third parties are prohibited to use or share the information for any other purpose. If you decide at some point to either terminate our services or become an inactive customer, we will continue to adhere to our privacy policy, as may be amended from time to time.

SECURITY OF YOUR INFORMATION

We restrict access to your nonpublic personal information to those employees who need to know that information to service your account. We maintain physical, electronic and procedural safeguards that comply with applicable federal or state standards to protect your nonpublic personal information.

CHANGES TO OUR PRIVACY POLICY OR RELATIONSHIP WITH YOU

Our policy about obtaining and disclosing information may change from time to time. We will provide you notice of any material change to this policy before we implement the change.