

# Clarity Wealth Advisors, LLC

## Client Brochure

*This brochure provides information about the qualifications and business practices of Clarity Wealth Advisors, LLC d/b/a Clarity Wealth Advisors. If you have any questions about the contents of this brochure, please contact us at (925) 242-2544 or by email at: [Parvin.manuchehri@gmail.com](mailto:Parvin.manuchehri@gmail.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.*

*Additional information about Clarity Wealth Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Clarity Wealth Advisors, LLC's CRD number is: 157913*

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*Registration does not imply a certain level of skill or training.*

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## **Item 2: Material Changes**

Clarity Wealth Advisors, LLC has not yet filed an annual updating amendment using the ADV Form 2A. Therefore there are no material changes to report.

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## **Item 4: Advisory Business**

### **A. Description of the Advisory Firm**

Clarity Wealth Advisors, LLC is a Limited Liability Company organized in the state of California.

This firm has been in business since May 2011, and the principal owners are Parvin Manuchehri, Ramisha Nicole Horton, and John Christopher Westerlund.

### **B. Types of Advisory Services**

Clarity Wealth Advisors, LLC (hereinafter "CWA") offers the following services to advisory clients:

#### ***Investment Supervisory Services***

CWA offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. CWA creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan (the Investment Policy Statement) to aid in the selection of a portfolio that matches each client's specific situation. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

CWA evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. CWA will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

#### ***Financial Planning***

Financial plans and financial planning may include, but are not limited to: investment planning; life insurance; tax concerns; retirement planning; college planning; and debt/credit planning. These services are based on hourly fees and the final fee structure is documented in Exhibit II of the Financial Planning Agreement.

In offering financial planning, a conflict exists between the interests of the investment adviser and the interests of the client. The client is under no obligation to act upon the investment adviser's recommendation, and, if the client elects to act on any of the

recommendations, the client is under no obligation to effect the transaction through the investment adviser. This statement is required by California Code of Regulations, 10 CCR Section 260.235.2.

### ***Services Limited to Specific Types of Investments***

CWA generally limits its investment advice and/or money management to mutual funds, equities, bonds, fixed income, , ETFs, and REITs. CWA may use other securities as well to help diversify a portfolio when applicable.

### **C. Client Tailored Services and Client Imposed Restrictions**

CWA offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent CWA from properly servicing the client account, or if the restrictions would require CWA to deviate from its standard suite of services, CWA reserves the right to end the relationship.

### **D. Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees.

CWA DOES NOT participate in any wrap fee programs.

### **E. Amounts Under Management**

CWA is a newly formed investment advisory firm, as such; its current assets under management are not yet reported.

## Item 5: Fees and Compensation

### A. Fee Schedule

#### *Investment Supervisory Services Fees*

Total Assets Under Management	Annual Fee
\$1 - \$2,000,000	1.00%
\$2,000,001 - \$3,000,000	0.90%
\$3,000,001 - \$4,000,000	0.85%
\$4,000,001 - \$5,000,000	0.80%
Above \$5,000,000	0.75%

These fees are negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid quarterly in advance, and clients may terminate their contracts with thirty days' written notice.

Refunds are given on a prorated basis, based on the number of days remaining in a quarter at the point of termination. Fees that are collected in advance will be refunded based on the prorated amount of work completed up to the day of termination within the quarter terminated. The fee refunded will be the balance of the fees collected in advance minus the daily rate\* times the number of days in the quarter up to and including the day of termination. (\*The daily rate is calculated by dividing the quarterly AUM fee by the number of days in the termination quarter).

Clients may terminate their contracts without penalty, for full refund, within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts with client written authorization. Lower fees for comparable services may be available from other sources.

#### *Financial Planning Fees*

##### *Hourly Fees*

Depending upon the complexity of the situation and the needs of the client, the hourly fee for these services is \$250 with a minimum of six hours work, or \$1,500. The fees are negotiable and the final fee schedule will be attached as Exhibit II of the Financial Planning Agreement. Half of the minimum fee of \$750 is paid in advance, but never more than six months in advance, with the remainder due upon presentation of the plan. Fees that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination. Clients may terminate their contracts

without penalty within five business days of signing the advisory contract. Lower fees for comparable services may be available from other sources.

The fee refunded will be the balance of the fees collected in advance minus the hourly rate times the number of hours of work that has been completed up to and including the day of termination.

## **B. Payment of Fees**

### ***Payment of Investment Supervisory Fees***

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid quarterly in advance.

Advisory fees may also be invoiced and billed directly to the client quarterly in advance. Clients may select the method in which they are billed.

### ***Payment of Financial Planning Fees***

Hourly Financial Planning fees are paid via check. Fees are paid \$750 in advance, but never more than six months in advance, with the remainder due upon presentation of the plan. Fees that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination.

## **C. Clients Are Responsible For Third Party Fees**

Clients are responsible for the payment of all third party fees (i.e. custodian fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by CWA. Please see Item 12 of this brochure regarding broker/custodian.

## **D. Prepayment of Fees**

CWA collects fees in advance. Fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination and the total days during the billing period. Fees will be returned within fourteen days to the client via check.

The fee refunded will be the balance of the fees collected in advance minus the daily rate\* times the number of days in the quarter up to and including the day of termination. (\*The daily rate is calculated by dividing the quarterly AUM fee by the number of days in the termination quarter).



## **E. Outside Compensation For the Sale of Securities to Clients**

Neither CWA nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

## **Item 6: Performance-Based Fees and Side-By-Side Management**

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

## **Item 7: Types of Clients**

CWA generally provides investment advice and/or management supervisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit Sharing Plans

### ***Minimum Account Size***

There is no account minimum.

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

### **A. Methods of Analysis and Investment Strategies**

#### ***Methods of Analysis***

CWA's methods of analysis include charting analysis, fundamental analysis, technical analysis, and cyclical analysis.

*Charting analysis* involves the use of patterns in performance charts. CWA uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

*Fundamental analysis* involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

*Technical analysis* involves the analysis of past market data; primarily price and volume.

*Cyclical analysis* involved the analysis of business cycles to find favorable conditions for buying and/or selling a security.

### ***Investment Strategies***

CWA uses long term trading, short term trading, short sales, margin transactions, and options writing (including covered options, uncovered options, or spreading strategies).

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **B. Material Risks Involved**

### ***Methods of Analysis***

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

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

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

**Cyclical analysis** assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns and 2) if too many investors begin to implement this strategy, it changes the very cycles they are trying to take advantage of.

### ***Investment Strategies***

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short term trading, short sales, margin transactions, and options writing generally hold greater risk and clients should be aware that there is a material risk of loss using any of those strategies.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **C. Risks of Specific Securities Utilized**

CWA generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. However, it will utilize short sales, margin transactions, and options writing. Short sales, margin transactions, and options writing generally hold greater risk of capital loss and clients should be aware that there is a material risk of loss using any of those strategies.

**Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SR) Proceedings**

There are no self-regulatory organization proceedings to report.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither CWA nor its representatives are registered as or have pending applications to become a broker/dealer or as representatives of a broker/dealer.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither CWA nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Neither CWA nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

#### **D. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections**

CWA does not utilize nor select other advisors or third party managers. All assets are managed by CWA management.

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

#### **A. Code of Ethics**

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

#### **B. Recommendations Involving Material Financial Interests**

CWA does not recommend that clients buy or sell any security in which a related person to CWA or CWA has a material financial interest.

#### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of CWA may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of CWA to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. CWA will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

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

From time to time, representatives of CWA may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of CWA to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients.

Such transactions may create a conflict of interest. CWA will always transact client's transactions before its own when similar securities are being bought or sold.

## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker/Dealers**

The Custodian, Fidelity Brokerage Services LLC, was chosen based on their relatively low transaction fees and access to mutual funds and ETFs. CWA will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

#### ***1. Research and Other Soft-Dollar Benefits***

CWA receives research, products, or services other from its broker-dealer or another third-party in connection with client securities transactions ("soft dollar benefits"). There is no minimum client number or dollar number that CWA must meet in order to receive free research from the custodian or broker/dealer. There is no incentive for CWA to direct clients to this particular broker-dealer over other broker-dealers who offer the same services. The first consideration when recommending broker/dealers to clients is best execution.

#### ***2. Brokerage for Client Referrals***

CWA receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

#### ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

CWA will not allow clients to direct CWA to use a specific broker-dealer to execute transactions. Clients must use CWA recommended custodian (broker-dealer). By requiring clients to use our specific custodian, CWA may be unable to achieve most favorable execution of client transactions and this may cost clients money over using a lower-cost custodian.

### **B. Aggregating (Block) Trading for Multiple Client Accounts**

CWA maintains the ability to block trade purchases across accounts. Block trading may benefit a large group of clients by providing CWA the ability to purchase larger blocks resulting in smaller transaction costs to the client. Declining to block trade can cause more expensive trades for clients.

## **Item 13: Reviews of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

Client accounts are reviewed at least quarterly by Parvin Manuchehri and John Westerlund. They are the chief advisors and are instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at CWA are assigned to these reviewers.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Parvin Manuchehri and John Westerlund.

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client will receive at least quarterly from the custodian, a written report that details the client's account including assets held and asset value which will come from the custodian. CWA may also provide clients with reports in addition to those provided by the custodian.

Clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

CWA does not receive any economic benefit, directly or indirectly from any third party for advice rendered to CWA clients.

### **B. Compensation to Non – Advisory Personnel for Client Referrals**

CWA does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

## **Item 15: Custody**

CWA, with Client's written authority, has limited custody of client's assets through direct fee deduction of CWA's Fees only. Constructive custody of all client's assets and holdings is maintained primarily at Fidelity Brokerage Services LLC. Clients will receive all required account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

## **Item 16: Investment Discretion**

For those client accounts where CWA provides ongoing supervision, the client has given CWA written discretionary authority over the client's accounts with respect to securities to be bought or sold and the amount of securities to be bought or sold. Details of this relationship are fully disclosed to the client before any advisory relationship has commenced. The client provides CWA discretionary authority via a limited power of attorney in the Investment Advisory Contract and in the contract between the client and the custodian.

## **Item 17: Voting Client Securities**

CWA will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 18: Financial Information**

### **A. Balance Sheet**

CWA does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither CWA nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

CWA has not been the subject of a bankruptcy petition in the last ten years.