

Item 1: Cover Page

Derastone LLC dba Wealth Habits Firm Brochure

This brochure provides information about the qualifications and business practices of Derastone LLC dba Wealth Habits. If you have any questions about the contents of this brochure, please contact us by email at: gabriel.kaplan@derastone.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. Registration as an investment adviser does not imply a certain level of skill or training.

Additional information about Derastone LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Derastone LLC's CRD number is: 153748

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

Version Date: 05/04/2020

Item 2: Material Changes

Derastone LLC has the following material changes to report. This list summarizes changes to policies, practices or conflicts of interests only.

- Updated our portfolio management and financial planning fee schedules.
- The firm has added the custodian Altruist.

The firm may at any time update this document and either send a copy of its updated brochure or provide a summary of material changes to its brochure and an offer to send an electronic or hard copy form of the updated brochure. Clients are also able to download this brochure from the SEC's website at www.adviserinfo.sec.gov or may contact our firm at (917) 789-1770 to request a copy at any time. As with all firm documents, clients and prospective clients are encouraged to review this brochure in its entirety and are encouraged to ask questions at any time prior to or throughout the engagement.

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Important Information

Throughout this document Derastone LLC dba Wealth Habits shall also be referred to as “the firm,” “firm,” “Derastone,” “Wealth Habits,” “our,” “we” or “us.” The client or prospective client may be also referred to as “you,” “your,” etc., and refers to a client engagement involving of a single person as well as two or more persons. In addition, the term “advisor” and “adviser” are used interchangeably where accuracy in identification is necessary (i.e., Internet address, etc.).

Item 4: Advisory Business

A. Description of the Advisory Firm

Derastone LLC dba Wealth Habits (hereinafter “Wealth Habits”) is a Limited Liability Company organized in the State of New York.

This firm has been in business since May 14, 2010, and the principal owner is Gabriel Kaplan.

B. Types of Advisory Services

Wealth Habits offers the following services to advisory clients:

Portfolio Management Services

Wealth Habits offers ongoing portfolio management services based on the individual goals, objectives, time horizon, risk tolerance, and liquidity needs of each client (“portfolio management clients”). Wealth Habits 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 | • Personal investment policy |
| • Asset allocation | • Security selection |
| • Risk tolerance | • Regular portfolio monitoring |

Wealth Habits evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Wealth Habits 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.

Services Limited to Specific Types of Investments

Wealth Habits invests mostly in equities. However, Wealth Habits may use other securities as well for diversification, hedging and return considerations when applicable. Other securities may include but are not limited to; futures, ETF's, options, fixed income, currencies, commodities, mutual funds, equities, bonds, debt securities, REITs, Treasury Inflation Protected/Inflation Linked Bonds, precious metal ETF's, and government securities.

Wealth Habits seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of Wealth Habits' economic, investment or other financial interests. To meet its fiduciary obligations, Wealth Habits attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, Wealth Habits' policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is Wealth Habits' policy to allocate investment opportunities and transactions it identifies as being appropriate based on suitability, needs of the client(s), and other factors such as the timing of the account review and parameters defined in the Investment Policy Statement, which will be documented no less than annually.

Financial Planning

Financial planning typically involves providing a variety of services, principally advisory in nature, to Clients regarding the management of their financial resources based upon an analysis of their individual needs. When a Client needs assistance in setting and evaluating financial goals, Wealth Habits may be engaged to complete one or more elements of a personal or business financial plan, including, but not limited to the following:

- Financial Goals
- Cash Flows or Budgeting
- Tax Planning
- Investment Analysis
- Retirement Planning
- Risk Management

This service involves working one-on-one with a planner over a period of time. Depending on the desired plan services, they may be required to provide information to help complete any analysis. Once the client's information is reviewed, their plan will be built and analyzed, and then the findings, analysis and potential changes to their current situation will be reviewed with the client.

Wealth Habits will first conduct a complimentary initial consultation. If the Client and Wealth Habits mutually decide to proceed, the Client will engage Wealth Habits to provide financial planning services. Follow up meetings will be conducted as necessary, during which pertinent information about the Client's financial circumstances and objectives will be collected. Once such information has been reviewed and analyzed, a financial plan designed to achieve the Client's stated financial goals and objectives will be presented to the Client. In most cases, specific financial planning topics are reviewed throughout the year and continuously updated with the

latest information. These topics are reviewed on a periodic basis and is the basis for the subscription service. Meetings usually occur on an annual basis but the work is ongoing.

In limited circumstances, some Clients may only require advice on a single aspect of the management of their financial resources. For these Clients, Wealth Habits offers financial plans in a targeted format and/or general consulting services that address only those specific areas of interest or concern. For hourly consulting services in which a financial plan is not presented to the Client, the fee will typically, but not always, be payable upon completion of the consultation.

Gabriel Kaplan is a CPA, but not an attorney or insurance licensed.

The firm's financial planning and consulting services do not involve implementing any transaction on your behalf or the active and ongoing monitoring or management of your investments or accounts. You have the sole responsibility for determining whether to implement the financial planning and consulting recommendations. To the extent that you would like to implement any of the investment recommendations through Wealth Habits or retain Wealth Habits to actively monitor and manage your investments, you must execute a separate written agreement with Wealth Habits for our asset management services. Only those accounts listed in asset management agreements will be considered regulatory assets under management for Wealth Habits.

C. Client Tailored Services and Client Imposed Restrictions

Wealth Habits offers the same suite of services to all of its portfolio management clients. However, specific client financial plans and their implementation are dependent upon the 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.

D. Wrap Fee Programs

We no longer provide a wrap fee program

E. Amounts Under Management

Wealth Habits has the following assets under management:

| Discretionary Amounts: | Non-discretionary Amounts: | Date Calculated: |
|-------------------------------|-----------------------------------|-------------------------|
| \$49,621,632 | \$0.00 | December 2019 |

Item 5: Fees and Compensation

A. Fee Schedule

Asset- Based Fees for Portfolio Management

| Assets Under Management | Annual Maximum Fee |
|-------------------------|--------------------|
| All Assets | 2.00% |

Fees are calculated by account and not in aggregate across accounts.

Wealth Habits may implement a variety of fee schedules but the total fees shall never surpass an annual maximum fee of 2.00% (percent) of Net Liquidation Value. The fee may be applied on a daily, monthly or quarterly basis. Net liquidation value is defined as Total Cash Value + Stock Value + Securities Options Value + Bond Value + Fund Value and is usually calculated by the broker.

Wealth Habits may use the following types of fee arrangements:

- Single annualized percentage, applied on a daily, monthly or quarterly basis.
- Blended Fee - Separate net asset-value ranges, and an annualized fee percentage for each. These fees are essentially using a weighted average blended annual fee rate.
- Flat Fee - As an annualized dollar amount, applied on a daily, monthly or quarterly basis (apportioned by 252 days).

For Interactive Brokers and TD Ameritrade: These fees are prorated based upon the number of trading days in a billing period. Usually there are 252 trading days a year but this might change year over year. Assets Under Management is Net Asset Value (NAV), and also known as Net Liquidation Value or NLV. Fees will be apportioned using the previous day ending-equity or today's starting values (normally, there isn't a difference but if there is, we will use whichever is higher). For example, a client with assets under management of \$12,000,000 may be assessed a negotiated annualized fee of \$85,062.50. In this particular case the negotiated blended fee structure is the following:

| NAV Range | Fee for assets specific NAV Range |
|--------------------|-----------------------------------|
| First \$25,000 | 1.00% |
| Next 9,975,000 | 0.75% |
| Above \$10,000,000 | 0.50% |

The calculation of a blended fee is as follows: $\$25,000 * 1.00\% + \$9,975,000 * 0.75\% + \$2,000,000 * 0.50\%$. The weighted average rate would be 0.71% which is lower than 1.50% for all assets. Assume are 252 trading days in that year, then one day of fees would amount to $\$85,062.50/252$

= \$337.55. Given that NAV are changing daily, this calculation is run every day. Then, the invoiced fee would be sum of the daily fees calculated in that billing period (e.g. daily, monthly, quarterly).

For TD Ameritrade, instead of prorating based on the number of trading days, for simplicity we may instead use the ending monthly value of the account and apply 1/12 of the annualized fees for each month. For example, a client with assets under management of \$12,000,000 on the last day of the month (and not subscribed to an ongoing financial planning program), then the client would be assessed an annualized fee of \$85,063 ($\$25,000 * 1.00\% + \$9,975,000 * 0.75\% + \$2,000,000 * 0.50\%$). The weighted average rate would be 0.71%. The monthly invoiced fee would be $\$85,063/12 = \$7,089$ (regardless of the amount of trading days in that month).

The actual asset based fee schedule charged to your account will be specified in the Investment Advisor Contract which will be executed prior to any services being provided. The actual asset based fee may be higher or lower than represented above example. These fees are negotiable and the final fee schedule is attached as an Exhibit to the Investment Advisory Contract. Fees are paid daily, monthly, or quarterly for clients with Interactive Brokers LLC ("Interactive Brokers"), and only monthly or quarterly for clients with accounts at TD Ameritrade, Inc. ("TD Ameritrade"). Accounts initiated or terminated during a calendar month will be charged a prorated amount based on the number of days service is provided during each billing period. These advisory fees are withdrawn directly from the client's accounts with client written authorization. Clients may also choose to pay by check or credit card. Clients may select the method in which they are billed. For purposes of calculating portfolio-based fees, advisor will rely on values reported by Interactive Brokers, and TD Ameritrade.

If you choose to have the investment advisory fees deducted from your account, you must authorize the qualified custodian(s) of your account to deduct fees from your account and pay such fees directly to Derastone LLC dba Wealth Habits.

You should review your account statements received from the qualified custodian(s) and verify that appropriate investment advisory fees are being deducted. The qualified custodian(s) will not verify the accuracy of the investment advisory fees deducted.

Clients are billed in arrears, and may terminate their contracts with thirty calendar days' written notice (in advance). Because fees are charged in arrears, no refund policy is necessary. Clients may terminate their accounts without penalty within 5 business days of signing the advisory contract.

No increase in the annual fee shall be effective without agreement from the client by signing a new agreement or amendment to their current advisory agreement. Fees may be reduced or waived for families, friends, subscribers of financial planning engagements, and any past, present, and future employees.

Wealth Habits believes that its annual fee is reasonable in relation to: (1) services provided and (2) the fees charged by other investment advisers offering similar services/programs. However, the annual investment advisory fee may be higher than that charged by other investment advisers offering similar services/programs.

Financial Planning Fees

Financial Planning fees consists of an upfront charge and an ongoing fee that is paid monthly, in arrears. The fees may be negotiable in certain cases. Fees for this service may be paid by credit card, electronic funds transfer, or check. This service may be terminated with 30 days' notice. Upon termination of any account, the fee will be prorated and any unearned fee will be refunded to the client.

The upfront portion of the Financial Planning fee is for client onboarding, data gathering, and setting the basis for the financial plan. This work will commence immediately after the fee is paid, and will be completed within the first 30 days of the date the fee is paid. Therefore, the upfront portion of the fee will not be paid more than 6 months in advance. In no circumstance will Wealth Habits require prepayment of a fee more than six months in advance and in excess of \$1,200.

Financial Planning Monthly Subscription/Retainer Fees

We generally charge on an hourly or flat fee basis for financial planning and consulting services. The total estimated fee, as well as the ultimate fee that we charge, is based on the scope and complexity of the engagement.

| Plan Name | Maximum Monthly Fee | Maximum Initial Set-Up Fee |
|-------------|---------------------|----------------------------|
| Core | \$750/month | \$3,000 |
| Foundations | \$1,000/month | \$3,000 |
| Integrated | \$1,500/month | \$3,000 |

The hourly fee is negotiable depending upon the scope and complexity of the services requested, the Client's financial situation and objectives, as well as the associated person providing the services. The maximum hourly fees are \$500 per hour. A fixed fee may also be negotiated based on the number of estimated hours required to provide the requested services.

Personal and/or business planning services are also offered to Clients on an on-going annual basis. As part of this monthly subscription program (also called "retainer" program), Wealth Habits will generally establish a regular planning cycle to work with the Client in managing specific aspects of the overall financial plan that are unique to the Client's situation. Additionally, Wealth Habits may meet with the Client's other professional advisers (financial, legal, real estate, tax, etc.) for a series of information gathering and/or implementation meetings. Wealth Habits will act as a project manager to coordinate the work of the appropriate parties in a manner consistent with the Client's long-term desired outcome. However, Wealth Habits does not provide legal or tax preparation services. Fees charged by other professionals for such services are separate and distinct from planning fees paid to Wealth Habits. Typically, other professionals will bill Clients directly. However, where Client asks Wealth Habits to engage other professionals on behalf of Client, other professionals will bill Wealth Habits; and, in turn, Wealth Habits will bill Clients for additional costs incurred. However, this arrangement will not cause the Client to pay professional

or advisory fees in excess of normal fees typically charged by either party. Wealth Habits will not share in any portion of the fees paid to other professionals on behalf of advisory Clients.

Planning fees for subscription clients are typically based on the plan desired. Wealth Habits requires an annual minimum fee for on-going planning services. A one-time set-up fee may be required in advance of on-going planning services. Planning fees will be priced on a monthly basis but can be paid annually, semi-annually, quarterly, or monthly in arrears and will be drafted from the asset account or billed directly in arrears. The agreed upon subscription fee and payment arrangements will be established at the beginning of the advisory/Client relationship based upon the scope of the work to be performed and the complexity of the Client's financial situation. For ongoing subscriptions fees, the client can cancel at any point and refunds will be but since it is in arrears, it's not refundable.

For a fixed fee (also called "flat fee") and hourly planning services, an estimate of the total time/cost will be determined at the start of the advisory relationship. In limited circumstances, the time/cost could potentially exceed the initial estimate. In such cases, Wealth Habits will notify the Client and will request that the Client approve applicable additional fees. Applicable fees, fee payment arrangements, and the terms of the engagement will be clearly set forth in the Financial Planning Agreement executed between Wealth Habits and the Client prior to services being rendered. In essence, the total fees of the project will depend on the scope of the requested fixed fee project. Fixed fee projects may require fees to be paid upfront but projects must last less than 6 months. Fixed fee projects can be paid via credit card/ACH or check. All fees may be negotiable in certain cases. Fees may be reduced or even waived for families or friends.

For fixed fee engagements, we require an initial payment of fifty-percent (50%) of the ultimate financial planning fee with the remainder of the fee billed to the client and due to us within thirty (30) days of the financial plan being delivered or consultation rendered. In all cases, we will not require a fee exceeding \$1,200 when services cannot be rendered within 6 (six) months.

In the cases where we charge our financial planning fees in advance and clients want to terminate, then clients will need to contact our firm in writing, stating they wish to terminate our financial planning contract. A pro-rata unearned portion of our advisory fee will be credited back to the client account by the applicable custodian. The pro-rata refund will be calculated based upon the date the account is closed. Either party may terminate the contract upon providing the other party thirty (30) days written notice. Billing will terminate within 30 days after receipt of termination notice. Either party may terminate financial planning services at any time by providing a thirty (30) day written notice. For purposes of calculating refunds, all work performed by us up to the point of termination shall be calculated at the negotiated hourly rate. You will receive a pro-rata refund of unearned fees based on the time and effort expended by our firm.

Financial plans are based on the Client's financial situation at the time the plan is presented and are based on financial information disclosed by the Client to Wealth Habits. As the Client's financial situation, goals, objectives, or needs change, the Client must notify Wealth Habits promptly. Clients are advised that certain assumptions may be made with respect to interest and inflation rates and use of past trends and performance of the market and economy. Past performance is in no way an indication of future performance. Wealth Habits cannot offer any guarantees or promises that the Client's financial goals and objectives will be met.

B. Other Types of Fees and Expenses

Brokerage commissions and/or transaction ticket fees charged by the qualified custodian are billed directly to you by the qualified custodian. Wealth Habits does not receive any portion of such commissions or fees from you or the qualified custodian. In other words, clients may incur certain charges imposed by custodians, brokers, and other third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

C. Prepayment of Fees

Wealth Habits collects its fees in arrears. It does not collect fees in advance.

D. Outside Compensation For the Sale of Securities to Clients

Neither Wealth Habits 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

Wealth Habits 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

Wealth Habits generally provides management supervisory services to the following Types of Clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pensions and profit sharing plans
- ❖ Trusts, Estates, or Charitable Organizations
- ❖ Corporations or Business Entities
- ❖ Investment Companies

Minimum Account Size

We have no minimum account size.

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

A. Methods of Analysis and Investment Strategies

Methods of Analysis

Wealth Habits' methods of analysis include primarily fundamental analysis, and secondly macroeconomic analysis. Fundamental analysis involves the assessment of quantitative and qualitative information related to a company including normalized returns on invested capital, competitive position, business opportunity, financial resources, management, sustainability of franchise, and valuation. Macroeconomic analysis involves the analysis of economic factors and business cycles as a consideration in the buying and/or selling of securities. Wealth Habits focuses primarily on fundamental internal company-specific research to estimate the intrinsic value range for a business relative to the market price of the equity. Wealth Habits pursues investments when there is a significant difference between the two. Wealth Habits considers both quantitative and qualitative factors. Most importantly: (1) Business quality: including normalized returns on capital, competitive position, business opportunity, financial resources, management, and sustainability of franchise. (2) Valuation: the market price of the shares in relation to future business potential, including growth, which is considered separately from quality.

Investment Strategies

Wealth Habits Company, industry and macro information are considered in thesis development and portfolio management. Company and industry-specific information generally plays a more important role than global and country-specific macro-economic factors, but all factors are actively considered in portfolio construction, positioning and risk control. While company specific investments comprise a majority of our investment activity over a market cycle, Wealth Habits sometimes engages in macro oriented investments, especially for hedging purposes. Wealth Habits strives to make both a source of positive returns over the long term. Wealth Habits has the willingness to: (1) Take large, concentrated and differentiated long and short investment positions to generate attractive returns, and (2) Hold securities that are not liquid in the secondary market. Wealth Habits may utilize, but is not limited to, long term trading, short term trading, short sales, margin transactions, futures 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.

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

All investing strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear. Many of these risks apply equally to stocks, bonds,

commodities and any other investment or security. Material risks associated with our investment strategies are listed below.

Market Risk: Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition.

Strategy Risk: The Adviser's investment strategies and/or investment techniques may not work as intended.

Regulatory Risk – Adverse changes to existing laws or regulations, or the adoption of new laws or regulations, have the potential to negatively affect existing investment holdings and restrict Wealth Habits' ability to implement intended investment strategies. Such changes could result in the forced sale of certain account holdings and limit the scope of available investment opportunities.

Small and Medium Cap Company Risk: Securities of companies with small and medium market capitalizations are often more volatile and less liquid than investments in larger companies. Small and Medium cap companies may face a greater risk of business failure, which could increase the volatility of the client's portfolio.

Non-U.S. Investment Risk – Non-U.S. investments often involve special risks not present in U.S. investments that can increase the chance of losing money. These risks include risks associated with non-U.S. custodians and depositories and fluctuations in currency exchange rates. Non-U.S. investments also generally trade in thinner markets than U.S. investments. In addition, non-U.S. investments may be subject to less politically and economically stable environments with a greater likelihood of abrupt changes to government regulation than in the U.S. Non-U.S. investments are subject to heightened risks of currency or capital controls, transfer restrictions, expropriation or nationalization of assets, and other governmental actions that may adversely impact issuers. The legal systems in certain countries provide relatively weak protections for investors.

Liquidity Risk – In certain situations, including because of local market conditions, rules or position size, it may be difficult or impossible to sell an investment in an orderly fashion at an acceptable price.

Limited markets: Certain securities may be less liquid (harder to sell or buy) and their prices may at times be more volatile than at other times. Under certain market conditions we may be unable to sell or liquidate investments at prices we consider reasonable or favorable, or find buyers at any price.

Concentration Risk: Certain investment strategies focus on particular asset-classes, industries, sectors or types of investment. From time to time, these strategies may be subject to greater risks of adverse developments in such areas of focus than a strategy that is more broadly diversified across a wider variety of investments.

Interest Rate Risk: Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond

prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

High Yield Risk – High yield securities (commonly known as “junk bonds”) may be subject to greater levels of interest rate, credit and liquidity risk than investment grade instruments. These instruments may be considered speculative with respect to the issuer’s continuing ability to make principal and interest payments. An economic downturn or period of rising interest rates could adversely affect the market for high yield bonds and reduce the ability to sell these securities (liquidity risk). High yield issuers may have a larger amount of outstanding debt relative to their assets than issuers of investment grade bonds. In the event of an issuer’s bankruptcy, claims of other creditors may have priority over the claims of high yield bond holders, leaving few or no assets available to repay high yield bond holders. If the issuer of a security is in default with respect to interest or principal payments, the client accounts may lose their entire investment in the issue. Prices of high yield bonds are subject to extreme price fluctuations. Adverse changes to the issuer’s industry and general economic conditions may have a greater impact on the prices of high yield bonds than on those of other higher rated fixed-income securities.

Gold and Commodity Risk – Exposure to gold and other commodities may subject a portfolio to greater volatility than investments in traditional securities. Prices of gold-related issues are susceptible to changes to U.S. and non-U.S. taxes, currency, mining laws, inflation, and various other market conditions.

Value Investing Risk – Value stocks tend to be in favor and out of favor with investors at different times and may underperform other asset types during given periods. The price of a value company’s stock may never reach the level that the investment team considers its intrinsic value.

Currency Risk – Currency trading involves significant risks, including market risk, interest rate risk and country risk.

Legal or Legislative Risk: Legislative changes or Court rulings may impact the value of investments, or the securities’ claim on the issuer’s assets and finances.

Inflation: Inflation may erode the buying-power of your investment portfolio, even if the dollar value of your investments remains the same.

Substantial Ownership Positions – Wealth Habits’ clients may accumulate substantial positions in the securities or even gain control of individual companies. Any exercise of management or control could expose the assets of a client to claims by the underlying company, its security holders and its creditors. Substantial ownership positions also may be more difficult or expensive to liquidate. At times regulatory or company-specific requirements may limit or block trading in a company’s securities by those deemed to be company “insiders” (officers, directors and certain large shareholders). These limitations may or may not be related to the possession of a company’s material non-public information.

Operational and Cybersecurity Risks – Wealth Habits relies on internal and third-party technology systems and networks to view, process, transmit and store information, including sensitive client and proprietary information, and to conduct many of its business and investment activities. Those

systems and networks are subject to a comprehensive information and cyber security infrastructure, including the implementation of policies and procedures, designed to mitigate the risk of technology failures and intentional or inadvertent breaches. It cannot be assured that such measures will be successful in preventing all technology failures and breaches.

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.

A short sale is generally the sale of a stock not owned by the investor. Investors who sell short believe the price of the stock will fall. If the price drops, the investor can buy the stock at a lower price and make a profit. If the price of the stock rises and the investor buys it back later at a higher price, the investor will incur a loss. Short sales require a margin account.

Wealth Habits utilizes investment strategies that are 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 sales, margin transactions, and options writing generally hold greater risk and clients should be aware that there is a chance of 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

Wealth Habits generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. However, Wealth Habits 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. The investment types listed below (excluding Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

Equity investment generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

Margin transactions use leverage that is borrowed from a brokerage firm as collateral. The use of margin can magnify the effect of any loss or gain on the investor, and can cause forced sales of investments at unfavorable times or prices.

Stocks & Exchange Traded Funds (ETF): Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Precious Metal ETFs

(Gold, Silver, Palladium Bullion backed “electronic shares” not physical metal): Investing in precious metal ETFs carries the risk of capital loss.

Mutual Funds: Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond “fixed income” nature (lower risk) or stock “equity” nature (mentioned above).

US Treasury Inflation Protected/Inflation Linked Bonds: The Risk of default on these bonds is dependent upon the U.S. Treasury defaulting; carrying a potential risk of losing share price value. Fixed Income is an investment that guarantees fixed periodic payments in the future that may involve economic risks such as inflationary risk, interest rate risk, default risk, repayment of principal risk, etc. Debt securities carry risks such as the possibility of default on the principal, fluctuation in interest rates, and counterparties being unable to meet obligations.

REITs have specific risks including valuation due to cash flows, dividends paid in stock rather than cash, and the payment of debt resulting in dilution of shares.

Currency carries risk due to the change in price of one currency against another. Investors face currency risk if their positions are not hedges when investing across borders. Commodities carries higher than average risk due to the higher than average returns. Commodities markets are also populated with speculative traders whose primary goal is to make short term profits.

Government Securities carry less risk than most other investments since they are backed by the credit and taxing power of a country or other political unit. This investment has a low risk of default with corresponding lower rate of returns. Bonds carry a default risk such that the borrowing entity is unable to repay the debt obligation to the lending entity. The default risk will vary depending on the nature and credibility of the borrowing entity.

Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various other types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk. Short term trading risks include liquidity, and economic and political stability.

Short sales risks include the upward trend of the market and/or specific securities, and the possibility of infinite and total loss of a portfolio, not just the position itself.

Options writing involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market.

Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business or the integrity of our management.

Item 10: Other Financial Industry Activities and Affiliations

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

Neither Wealth Habits nor its representatives are registered as 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 Wealth Habits nor its representatives are registered as 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

Wealth Habits does not have any related parties. As a result, we do not have a relationship with any related parties.

D. Recommendations or Selections of Other Investment Advisers

As referenced in Item 4 of this brochure, Wealth Habits may refer clients to Outside Managers or sub-advisers to manage their accounts. In the event that we recommend an Outside Manager, please note that we do not share in their advisory fee. Our fee is separate and in addition to their compensation (as noted in Item 5) and will be described to you prior to engagement. You are not obligated, contractually or otherwise, to use the services of any Outside Manager we recommend. Additionally, Wealth Habits will only recommend an Outside Manager who is properly licensed or registered as an investment adviser.

Item 11: Code of Ethics, Participation in Transactions, Personal Trading

A. Code of Ethics

An investment adviser is considered a fiduciary and has a fiduciary duty to all clients. Wealth Habits has established a Code of Ethics to comply with the requirements of the securities laws and regulations that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. Wealth Habits' Code of Ethics covers all individuals that are classified as "supervised persons". All employees, officers, directors

and investment adviser representatives are classified as supervised persons. Wealth Habits requires its supervised persons to consistently act in your best interest in all advisory activities. Wealth Habits imposes certain requirements on its affiliates and supervised persons to ensure that they meet the firm's fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and encountered in commercial business. This section is intended to provide a summary description of the Code of Ethics of Wealth Habits. If you wish to review the Code of Ethics in its entirety, you should send me a written request and upon receipt of your request, Wealth Habits will promptly provide a copy of the Code of Ethics to you.

B. Recommendations Involving Material Financial Interests

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

C. Investing Personal Money in the Same Securities as Clients and Trading Securities At/Around the Same Time as Clients' Securities

Wealth Habits or associated persons of the firm may buy or sell for their personal accounts, investment products identical to those recommended to clients. This creates a potential conflict of interest. It is the express policy of Wealth Habits that all persons associated in any manner with the firm must place clients' interests ahead of their own when implementing personal investments. Wealth Habits and its associated persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with the firm unless the information is also available to the investing public upon reasonable inquiry. Nor will Wealth Habits and its associated persons purchase or sell securities in a manner that materially influences the market price of the security. Wealth Habits and its associated persons are now and will continue to be in compliance with applicable state and federal rules and regulations. To prevent conflicts of interest, Wealth Habits has developed written supervisory procedures that include personal investment and trading policies for its representatives, employees and their immediate family members (collectively, associated persons): (1) Associated persons cannot prefer their own interests to that of the client. (2) Associated persons cannot purchase or sell any security for their personal accounts immediately prior to implementing transactions for client accounts (where it impacts the price). (3) Associated persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investing public upon reasonable inquiry. (4) Associated persons are prohibited from purchasing or selling securities of companies in which any client is deemed an "insider". (5) Associated persons will not engage in trading that materially affects the securities markets. (6) Associated persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted to the Chief Compliance Officer of Wealth Habits. Any associated person not observing our policies is subject to sanctions up to and including termination.

Item 12: Brokerage Practices

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

Wealth Habits does not have any affiliation with Broker-Dealers. Specific custodian recommendations are made to client based on their need for such services. We recommend custodians based on the reputation and services provided by the firm.

Wealth Habits recommends the custodian Altruist. For the benefit of no commissions or transaction fees, fully digital account opening, a large variety of security options and complete integration with software tools to produce better client outcomes, Advisor recommends Altruist Financial LLC, an unaffiliated SEC-registered broker dealer and FINRA/SIPC member, as the introducing broker to DriveWealth, LLC, an unaffiliated SEC-registered broker dealer and FINRA/SIPC member, as the clients' custodian. The Advisor does not receive any research or other soft-dollar benefit by nature from its relationship with Altruist Financial LLC, nor does the Advisor receive any referrals in exchange for using Altruist Financial LLC as a broker dealer.

1. Research and Other Soft-Dollar Benefits

Wealth Habits receives research, products, or other services 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 Wealth Habits must meet in order to receive research from the custodian or broker/dealer. Wealth Habits receives a benefit because it does not have to pay for or produce the research, services, or products and therefore Wealth Habits might have an incentive to recommend a custodian based on its interest rather than their clients. Wealth Habits will always seek to act in the best interests of the client.

2. Brokerage for Client Referrals

Clients are under no obligation to act on the financial planning recommendations of Wealth Habits. If the firm assists in the implementation of any recommendations, Wealth Habits is responsible to ensure that the client receives the best execution possible. Best execution does not necessarily mean that clients receive the lowest possible commission costs but that the qualitative execution is best. In other words, all conditions considered, the transaction execution is in your best interest. When considering best execution, Wealth Habits looks at a number of factors besides prices and rates including, but not limited to:

- Commission rates
- Execution capabilities (e.g., market expertise, ease/reliability/timeliness of execution, responsiveness, integration with the existing systems, ease of monitoring investments)
- Products and services offered (e.g., investment programs, back office services, technology, regulatory compliance assistance, research and analytic services)
- Financial strength, stability and responsibility
- Reputation and integrity
- Ability to maintain confidentiality

Wealth Habits exercises reasonable due diligence to make certain that best execution is obtained for all clients when implementing any transaction by considering the back office services, technology and pricing of services offered.

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

Wealth Habits will require clients to use a specific broker-dealer to execute transactions. Not all advisors require clients to direct brokerage. Most favorable execution may not be achieved which may cost the client more.

4. The Custodian and Brokers We Use

The Custodian, Interactive Brokers LLC (CRD# 36418), was chosen primarily based on its relatively low transaction fee, capability to facilitate timely transfers and payments to and from accounts, ability and willingness to work with foreigners, strength of trading platform, access to mutual funds and ETFs, support services, and reputation. Wealth Habits will never charge a premium or commission on transactions, beyond the actual cost imposed by the Custodian.

Wealth Habits participates in TD Ameritrade's institutional (CRD #7870) customer program and may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between Wealth Habits' participation in the program and the investment advice it gives to its clients, although Wealth Habits receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Wealth Habits participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Wealth Habits by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Wealth Habits' related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Wealth Habits but may not benefit its client accounts. These products or services may assist Wealth Habits in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Wealth Habits manage and further develop its business enterprise. The benefits received by Wealth Habits or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Wealth Habits endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Wealth Habits or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Wealth Habits' choice of TD Ameritrade for custody and brokerage services.

Wealth Habits does not maintain custody of your assets on which we advise and manage; although we may be deemed to have custody of your assets if you give us authority to withdraw advisory fees from your account (see Item 15—Custody, below). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank.

The broker-dealer will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Interactive Brokers LLC as custodian/broker, you will decide whether to do so and will open your account with the broker-dealer by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so.

B. Aggregating (Block) Trading for Multiple Client Accounts

Wealth Habits maintains the ability to block trade purchases across accounts. Block trading may benefit a large group of clients by providing Wealth Habits 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.

Although not obligated, we strive to aggregate orders for the purchase or sale of the same security for client accounts. Wealth Habits will consider various criteria when evaluating whether to aggregate an order, including, as relevant, the account’s investment objectives and guidelines, policies, tax status, nature and size of the aggregated order, and any other factors deemed appropriate under the circumstances. When an aggregated order is filled entirely, each participating client receives the average share price for that order on the same business day, and share transaction costs pro rata based on each client’s participation. If the aggregated order is partially filled, each account participating in the aggregated order will receive a pro rata portion of the shares filled based on the account’s percentage participation in the partially filled lot. A partially filled order may not be allocated pro rata if such a small amount has been transacted that pro rata allocation among accounts would result, in our judgment, in a non-meaningful allocation for particular accounts. In such cases, the broker will likely reserve a minimum allocation to every transacting account. This minimum allocation usually depends on the security being traded, market liquidity, and the broker’s trading algorithm that hasn’t been shared with us.

For example, if two accounts are selling a stock in a company. Client A has 99,900 shares and client B has 100 shares. The block order results in 10 lots of 10,000 shares. The broker might allocate in the first lot 9,900 shares of client A and 100 shares of client B and then all remaining 9 lots to Client A.

Item 13: Reviews of Accounts

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

Client accounts are reviewed at least on an annual basis by Gabriel Kaplan, Managing Member. Gabriel Kaplan is the chief advisor and is instructed to review clients' accounts with regard to clients' respective investment policies and risk tolerance levels. All accounts at Wealth Habits are assigned to this reviewer.

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 excessive draw-down).

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. Wealth Habits does not itself provide such written reports.

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)

We receive a non-economic benefit from Interactive Brokers LLC, TD Ameritrade, or Robust Wealth in the form of the support products and services it makes available to us and clients who maintain their accounts at Interactive Brokers LLC, TD Ameritrade or Robust Wealth.

B. Compensation to Non – Advisory Personnel for Client Referrals

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

Item 15: Custody

Wealth Habits does not accept custody of client funds and/or securities, except for in the instance of withdrawal of fees. Wealth Habits with client written authority, has limited custody of client's assets through direct fee deduction of Wealth Habits' fees only. If the client chooses to be billed directly by Interactive Brokers LLC (CRD #36418), TD Ameritrade (CRD #7870), Wealth Habits would have constructive custody over that account and must have written authorization from the client to do so. Clients will receive

all account statements and billing invoices from custodian directly. For accounts held at Interactive Brokers, our statements will be available for you to review on the activity section of your Interactive Brokers account portal. You will also receive quarterly account statements directly from the custodian and they should be carefully reviewed for accuracy.

Item 16: Investment Discretion

For those client accounts where Wealth Habits will have investment discretion, the client has given Wealth Habits 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. Discretionary authority is executed by agreement through the custodian account application and the investment advisory contract. The client provides Wealth Habits discretionary authority via a limited power of attorney in the Investment Advisory Contract and executing limited power of attorney in the contract between the client and the custodian. In some cases Wealth Habits investment authority may be subject to specified investment objectives, guidelines, and/or conditions imposed by the Client. For example, a Client might specify that investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or a Client might request restrictions or prohibitions of transactions in the securities of a specific industry. Clients may amend these limitations, as required. Such amendments must be submitted in writing.

Item 17: Voting Client Securities (Proxy Voting)

As a general rule we do not vote client proxies (but we will make exceptions on a case-by-case basis). Therefore, clients maintain exclusive responsibility for: (1) voting proxies, and (2) acting on corporate actions pertaining to the client's investment assets. The client shall instruct the client's qualified custodian to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. If the client would like our opinion on a particular proxy vote, they may contact us at the number listed on the cover of this brochure.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward you any electronic solicitation to vote proxies.

From time to time, securities held in the accounts of Clients will be the subject of class action lawsuits. Wealth Habits has no obligation to determine if securities held by Clients are subject to a pending or resolved class action lawsuit. It also has no duty to evaluate a Client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, Wealth Habits has no obligation or responsibility to initiate litigation to recover damages on behalf of Clients who may have been injured because of actions, misconduct, or negligence by corporate management of issuers whose securities are held by Clients.

Item 18: Financial Information

A. Balance Sheet

Wealth Habits 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 Wealth Habits 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

Neither Wealth Habits nor its management have been the subject of a bankruptcy petition in the last ten years.

Item 19: REQUIREMENTS FOR STATE REGISTERED ADVISERS

A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background

Wealth Habits currently has only one management person and only one executive officer; Gabriel Kaplan. Gabriel Kaplan's education and business background can be found on the Supplemental ADV Part 2B form.

B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)

Gabriel Kaplan's other business activities can be found on the Supplemental ADV Part 2B form.

C. How Performance Based Fees are Calculated and Degree of Risk to Clients

Wealth Habits 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.

D. Material Disciplinary Disclosures for Management Persons of this Firm

No management person at Wealth Habits has been involved in an arbitration claim or been found liable in a civil, self-regulatory organization, or administrative proceeding

E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)

Neither Wealth Habits, nor its management persons, has any relationship or arrangement with issuers of securities.

This brochure supplement provides information about Gabriel Kaplan that supplements the Derastone LLC dba Wealth Habits brochure. You should have received a copy of that brochure. Please contact Gabriel Kaplan, Managing Member if you did not receive Derastone LLC dba Wealth Habits' brochure or if you have any questions about the contents of this supplement.

Additional information about Gabriel Kaplan is also available on the SEC's website at www.adviserinfo.sec.gov.

Derastone LLC dba Wealth Habits

Form ADV Part 2B – Brochure Supplement

for

Gabriel Kaplan
Investment Adviser Representative

Derastone LLC dba Wealth Habits
303 E 83th Street Apt 15B
New York, New York, 10028
<https://wealthhabits.com>
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UPDATED: 1/19/2020

Item 2: Requirements for State Registered Advisers

Name: Gabriel Kaplan

Born: 1983

Educational Background:

- BSE System Engineering – Finance, University of Pennsylvania – 2008
- Master in Business Taxation, University of Southern California – 2012
- MBA from NYU’s Stern School of Business - 2016

Business Background:

| | |
|----------------|---|
| 2010 – Present | Managing Member, Derastone LLC dba Wealth Habits |
| 2016 – 2018 | Senior Consultant, Deloitte Consulting LLC |
| 2012 – 2014 | Tax Associate KPMG LLP |
| 2009 – 2011 | Senior Analyst Nufami Inc. |
| 2008 – 2009 | Analyst, Merrill Lynch International (London, UK) |
| 2008 – 2008 | Analyst, Merrill Lynch Co. (New York, NY) |

Item 3: Disciplinary Information

No management person at Derastone LLC dba Wealth Habits has ever been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, or administrative proceeding.

Item 4: Other Business Activities

Gabriel Kaplan is the founder and Principal of Tax Habits LLC, Infinity Signals LLC, and Gabriel Kaplan CPA PLLC . These businesses are not investment-related. Between January and April 15th, Mr. Kaplan might spend 10% of his time providing tax preparation and planning services, with about half of this time

during trading hours and a half after trading hours. Mr. Kaplan also provides through Infinity Signals LLC educational content to readers. Mr. Kaplan will spend a minority of his time providing educational content outside of trading hours.

Item 5: Additional Compensation

Gabriel Kaplan does not receive any economic benefit from any person, company, or organization, in exchange for providing clients advisory services through Derastone LLC dba Wealth Habits.

Item 6: Supervision

Gabriel Kaplan, as Principal and Chief Compliance Officer of Derastone LLC dba Wealth Habits, is responsible for supervision. He may be contacted at the phone number on this brochure supplement.

Item 7: Requirements for State Registered Advisors

Gabriel Kaplan has NOT been involved in an arbitration, civil proceeding, self-regulatory proceeding, administrative proceeding, or a bankruptcy petition.