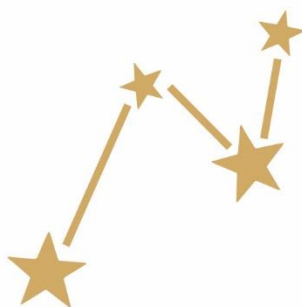


*Stella Nova™*

# Wrap Fee Program Brochure

September 17, 2020



# Stella Nova

This wrap fee brochure provides information about the qualifications and business practices of *Stella Nova™*, an advisory service offered through Golden State Asset Management, LLC (“Golden State”, “GSAM”, “Stella Nova” and/ or the “Firm”). If you have any questions about the contents of this brochure, please email us at [Contact@MyStellaNova.com](mailto:Contact@MyStellaNova.com). This brochure also describes how GSAM is compensated for the service provided to you. You should carefully consider this information in your evaluation of the service. If you have any questions about the contents of this brochure, please contact us at the phone number above. The information in this brochure hasn’t been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority. **The information in this brochure has not been approved or verified by any state securities authority. Registration does not imply a certain level of skill or training.**

Additional information about *Stella Nova* is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Golden State Asset Management  
201 E Sandpoint Ave., Suite 460  
South Coast Metro, CA 92707  
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<http://www.MyStellaNova.com>

## Item 2: Material Changes

This Item discusses specific material changes that are made to the Brochure and provides clients with a summary of such changes. This is *Stella Nova*'s first program brochure so there are no updates to be made at this time.

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may make interim updates to this Brochure throughout the year and will provide other ongoing disclosure information about material changes, as necessary. Information about *Stella Nova* is also available at the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with *Stella Nova* who are registered, or are required to be registered, as Investment Advisor Representatives of *Stella Nova*. To request a copy of the most recent Brochure free of charge or if you have any questions about the contents of this brochure, please email us at [Contact@MyStellaNova.com](mailto:Contact@MyStellaNova.com).

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## Item 4: Services, Fees, and Compensation

### Description of the Firm

*Stella Nova* (also referred to herein as "Service," "we," "us," and "our") is a web-based investment management service offered through Golden State Asset Management, LLC ("GSAM"), a federally registered investment adviser with the United States Securities and Exchange Commission ("SEC"). GSAM has been registered with the SEC since January of 2019 and is located at 201 E Sandpointe Ave., Suite 460 South Coast Metro, CA 92707. Daniel Catone, Patrick Catone, Kyle Fairall, and John Nahas are the owners and managing members of GSAM. See Item 10 of this document for additional discussion concerning the firm's affiliates.

### Description of Advisory Services Offered

*Stella Nova* (the "Service") is a wrap fee program in which GSAM provides a discretionary risk-based investment management service through a web-based interface to retail investors. Under this program, clients authorize and direct GSAM to place all trades in clients' accounts through the custodian TD

Ameritrade Institutional, who will maintain all client accounts and execute all securities transactions in client accounts without separate commission costs or other fees.

The use of *Stella Nova* requires internet access in order to enroll and to access program documents. Users should not interact with *Stella Nova* if they do not have consistent internet access or do not want to accept electronic delivery of documents and disclosures required to be delivered in connection with the service. Clients are required to maintain an active email address with us in order to remain enrolled in the service. Upon electronic acceptance of the *Stella Nova* Service Agreement (the “Advisor Agreement”), clients grant the Service discretionary authority to conduct trading in enrolled accounts by investing varying combinations of ETFs in the equity, fixed income, hedged equity, and cash asset categories, although we will have the ability to add or remove asset categories as we see fit in our discretion.

GSAM offers investment advice to clients and manages assets through the *Stella Nova* wrap fee program. A wrap fee program has a fee structure that provides clients with advisory and brokerage services for a bundled fee with no additional account activity charges for execution of trades. As such, GSAM charges clients (defined below) a single bundled fee that covers the investment advisory services it provides, as well as the brokerage and custodial services associated with holding and trading securities provided by TD Ameritrade’s affiliated broker-dealer. Please see Item 6 for additional information on brokerage considerations.

*Stella Nova* is built to recommend an appropriate asset allocation for the accounts specified by you during the onboarding process through *Stella Nova*’s online interface. The investment recommendations provided by *Stella Nova* are highly dependent on the information received by you the client. In providing services under this Service we’ll rely on and take into account the information clients provide to us directly without any duty or obligation to investigate the accuracy or completeness of such information. It is ultimately the client’s responsibility to inform us about any change to the information provided, their financial circumstances, or their investment objectives, as such changes could have a material effect on any recommendation made under this Agreement. Any inaccurate information provided, or not promptly updated, is the responsibility of the client and may affect the quality and applicability of the *Stella Nova* recommendations.

Once the client account has been opened, we will provide the client with an opportunity to preview the initial recommended asset allocation and specific investment recommendations. In the event that you choose to implement these recommendations without enrolling in *Stella Nova*, we will not be held responsible for any losses resulting or any delays or mistakes in such implementation caused by you. Once agreed, the Service will advise your accounts on a discretionary basis giving us the authority to buy and sell securities on your behalf. *Stella Nova* software will access your accounts on an ongoing basis to determine whether a rebalancing opportunity exists. The effectiveness of the ongoing management of your account is dependent on the clients willingness to interact with us during our attempts to validate your financial goals, needs, and the strategy chosen for the Portfolio, or whenever you believe that you may have experienced material changes to your financial situation, investment objectives, restrictions, and willingness and ability to tolerate risk.

## Account Minimum and Restrictions

In order to be eligible for initial enrollment, a TD Ameritrade Brokerage account must have a minimum Assets Under Management as specified below:

ETF Models: \$20,000

MF Models: no minimum

In the event that the cash is not deposited by the time the trades are settled, *Stella Nova* reserves the right to cancel those trades. You will be able to transfer funds from any bank that you have linked to your account; however, *Stella Nova* reserves the right to un-enroll Clients at our discretion.

Once enrolled in *Stella Nova's* discretionary management, you will no longer be able to independently purchase or sell securities in your advised Portfolio.

## Enrollment Restrictions and Defaults

In connection with the ongoing advised service, you'll retain the right to: (i) withdraw securities and take sales proceeds as cash from the Portfolio; (ii) vote on shareholder proposals of beneficiary owned securities or delegate the authority to vote on such proposals to another person; and (iii) be provided, in a timely manner, with a confirmation of other notification of each securities transaction in the portfolio and all other documents required by law to be provided to security holders.

## Tax Advice/Implications

While the ongoing Service will consider the tax impact (as a result of the account type) of any potential Portfolio changes, transitioning the Portfolio based on your portfolio construction guidelines could result in realized taxable gains or losses, or the generation of taxable dividend income or tax-preference items that are taxable under the alternative minimum tax. Neither GSAM nor TD Ameritrade shall have any responsibility to pay these taxes. Neither GSAM nor *Stella Nova* provides tax advice. We strongly urge you to consult with your tax advisor to discuss any tax concerns related to the ongoing advised service.

## Cash in and Out

While enrolled in *Stella Nova*, you may transfer cash to and from the Portfolio at any time, and you may add or un-enroll eligible accounts at any time via the website interface. You will be able to transfer funds from any bank that you have linked to your account.

Transfers of funds into your enrolled accounts typically are invested after two business days although the specified circumstances of your transfer could result in longer processing times. Any amounts transferred into an enrolled account will be allocated to the appropriate investments based on your rebalancing methodology.

When cash is transferred to the Portfolio as a result of automated account services (such as an automatic investment plan) or investment earnings (such as interest or dividend payments), the cash will be allocated in accordance with *Stella Nova's* investment strategy upon your next rebalancing opportunity. Upon enrollment, Client accounts will be defaulted to receiving dividend and capital gain distributions in cash to optimize rebalancing opportunities.

You will be able to request a sale of assets in your enrolled taxable brokerage account and to have the proceeds sent as cash to your linked bank account(s) via an electronic bank transfer. You may only elect

to transfer cash to authenticated and authorized bank accounts linked to your enrolled account. Transfers of cash out of your enrolled brokerage account typically take two business days to occur (subject to the settlement of securities transactions in your managed account). Market closures will delay the settlement of securities transactions, which will, in turn, delay the transfer of cash out of your account. Taking out cash will have an impact on your financial goals.

### **Terminating Service**

You may terminate the service at any time via the *Stella Nova* website and Interface, but your Portfolio will remain invested in the investment options selected by *Stella Nova* until you take further action.

### **How We Are Compensated**

We are compensated by the advisory fee agreed upon within your Agreement for the ongoing discretionary management of the enrolled accounts. The advisory fee is calculated across all assets within an enrolled account, including cash positions. Your enrolled accounts are responsible for paying *Stella Nova* an annual advisory fee of 0.25%-0.40% billed on a pro-rata basis quarterly in advance based on the value of the account(s) on the last day of the previous quarter.

Pricing will vary based on the specific type of account. See below:

#### **Mutual Fund Portfolios:**

Accounts will be charged a \$100 yearly account fee to be billed \$25/quarter

These portfolios have an annual Asset Management fee of 0.40%

#### **ETF Portfolios:**

Accounts have a minimum balance of \$20000

These portfolios have an annual Asset Management fee of 0.25%

Once your account has been assigned to a specific model, your specific pricing will be uploaded to the *Stella Nova* document vault.

### **Billing**

Fees will be calculated quarterly (approximately every 90 days) and based on the pro rata market value of each holding of each enrolled account on the last day of the previous quarter across the entire fee period (unless falling on a U.S. holiday; a list of observed U.S. holidays is available on The New York Stock Exchange's website, available at <https://www.nyse.com/markets/hours-calendars>) after the completion of a fee period and will generally be deducted within 30 days of assessment. If your brokerage account is on hold or in a restricted status, for any reason, including waiting for confirmation of an address change or other client identification information then the Service reserves the right to delay collecting fees from an enrolled account until the restricted status is lifted. Your fee period will start when the Service begins to manage your enrolled accounts, approximately two business days after your enrollment.

The Service will systematically determine which securities to sell in order to raise proceeds sufficient to cover the fee and reassess each enrolled account for alignment with the target asset allocation. In addition, when collecting fees from an enrolled account with money market fund securities (or other cash equivalent assets) balance, we will prioritize selling those assets first. See the *Stella Nova* Program Brochure.

Note: The Service reserves the right to provide periodic fee waivers where it deems appropriate. The Service in its discretion, can waive or reduce the advisory fee for any Client or group of Clients, including in connection with promotional efforts. The Advisory Fee may be waived or discounted for employees of GSAM or its affiliates.

You authorize us to deduct fees under this Agreement from your account(s) that are enrolled in the Service. The advisory fee will be automatically deducted from the Portfolio and remitted to *Stella Nova*. If the balance of securities held in your Portfolio is insufficient to cover the advisory fee, you agree to remit prompt payment of the balance due.

We reserve the right to increase the advisory fee upon 30 days' written notice to you. Upon removal of an account, or termination of the Service, we will provide a pro-rated refund to the client of any unearned advisory fees. Upon un-enrollment, in order to place the trades necessary to collect accrued fees, your account will be restricted from trading for 1-2 business days.

#### Item 5: Account Requirements and Types of Clients

Enrollment in *Stella Nova* is open to all retail clients, including individuals, high net worth individuals, trusts, estates, charitable organizations, and limited liability companies. With the exception that the account must be maintained at TD Ameritrade, we currently impose no other requirements for enrolling and maintaining accounts in the Service. There is no minimum balance required to open a Mutual Fund Portfolio through *Stella Nova*, but ETF Portfolios have a minimum balance of \$20,000. All clients execute a *Stella Nova* Service Agreement and a Brokerage Agreement with TD Ameritrade. Other paperwork may be required depending on account type.

#### Item 6: Portfolio Manager Selection and Evaluation

The Firm does not charge any performance-based fees (fees based on a share of capital gains or on capital appreciation of the assets of a client). The Firm does not participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees.

#### Item 7: Client Information Provided to Portfolio Managers

We will directly manage each Client's enrolled account(s) pursuant to the *Stella Nova* Service Agreement they complete at the beginning of our relationship. Clients should carefully consider *Stella Nova's* services before determining whether to engage the digital service. To use *Stella Nova*, clients inform GSAM of a client's financial goals and personal information through *Stella Nova's* online interface. The Service will rely on the information you provide on the SN Interface, including a risk profile, to manage the enrolled accounts consistent with our firm's investment methodology, as well as generally accepted investment principles.

In order to enroll in the Service, the client will set financial goals within the *Stella Nova* Interface. By enrolling in the Service, the client(s) authorizes the Service to be the exclusive discretionary investment advisor for the accounts selected for management. The Service will manage those accounts based on the information provided based on the risk profile and financial goals entered by the client(s) into the

Interface. While accounts are enrolled in the Service, the client will not be able to place specific purchase and sell orders for the holdings in enrolled accounts and will be subject to other account restrictions.

### **Investment Philosophy and Strategies**

GSAM believes that client investment allocations should change as their life changes. GSAM seeks to incorporate a broad range of diversified investment options that will enable it to construct a portfolio with aggregate risk and return characteristics at any point within the client's desired suitability range (aggressive to conservative). The firm seeks adherence to the specific investment objectives, time frame, and criteria for each client, and evaluates the relevant information over a full market cycle.

With these objectives and identified investment categories, the Firm will select investment options to:

Maximize return within reasonable and prudent levels of risk within portfolio timeframes

Provide returns comparable to returns for similar investment options.

Provide exposure to a wide range of investment opportunities in various asset classes.

### **Review of Accounts**

Clients enrolled in *Stella Nova's* ongoing advisory service will have access to their Portfolio information through the online interface. As part of *Stella Nova's* rebalancing process, we will evaluate and monitor the Portfolio on an ongoing basis.

### **Investment Discretion**

When you decide to enroll accounts in the Stella Nova program, you are providing GSAM full discretionary trading and investment authority over those accounts subject to the *Stella Nova* Service Agreement. As a result, GSAM will have full discretionary authority over the investments selected for your Portfolio, and the timing and size of purchases and sales within your Portfolio. In order to manage your accounts, we will have the authority, on your behalf, to purchase, sell, exchange, or transfer assets; rebalance and reallocate assets; modify our investment strategies; and execute other necessary and appropriate transactions, including transmitting verbal, written, or online instructions to effect transactions, at the times and according to the terms established in the *Stella Nova* Service Agreement. We may change our investment strategy at any time and without prior notice to you, including changing the investments used for purposes of rebalancing the Portfolio.

### **Adjusting Asset Allocation**

We may decide to adjust your asset allocation if you inform us that your ability to bear risk changes or if there are changes to your investment time horizon. Each business day, we will review your target allocation in relation to your investment time horizon to determine if changes to the allocation are necessary. The Portfolio's target allocation may also change based on changes to your financial situation and financial goals. Changes in your asset allocation may cause us to recommend and effect the purchase or sale of securities in your Portfolio in order to meet the new target asset allocation.

### **Rebalancing the Portfolio**

Portfolio rebalances are performed but not limited to a quarterly basis. We will rebalance your Portfolio using our investment methodologies and strategies.

## Regular Reports and Electronic Delivery

The custodian TD Ameritrade will provide written custodial statements to you on a monthly basis. These monthly custodial statements contain your holdings, yield, cash flow, gains and losses, and monthly interest earnings. *Stella Nova* may provide additional information in a separate document to meet the specific reporting needs of a client as the client and the Adviser may agree. All client correspondence may be sent via electronic delivery or physical delivery at the discretion of *Stella Nova* or preferences of the client in written form.

## Trade Execution, Account Maintenance, and Asset Custody

In order to enroll in the *Stella Nova* service, you will be required to establish or use an existing TD Ameritrade Brokerage Account. You will agree in your *Stella Nova Service Agreement* to execute all Portfolio brokerage transactions through the TD Ameritrade's affiliated Broker Dealer. We are independently owned and operated and are not affiliated with TD Ameritrade. TD Ameritrade will hold your assets in a brokerage account and buy and sell securities when we instruct them to.

## Custody

GSAM does not have custody of Client assets participating in the *Stella Nova* program. All client assets are held at TD Ameritrade Institutional, a qualified third-party custodian who will provide you with transaction confirmations and account statements. Statements are provided on at least a quarterly basis or as transactions occur within your account. You are urged to carefully review your account statements you have received directly from the custodian of record upon receipt.

## How we selected the Broker/Custodian

The *Stella Nova* program offered by GSAM utilizes TD Ameritrade Institutional as its sole custodian/broker, to hold your assets and execute transactions. When considering whether the terms that TD Ameritrade provides are, overall, most advantageous to you when compared with other available providers and their services, we consider a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of Services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, security, and stability
- Prior service to us and our clients
- Service delivered or paid for by TD Ameritrade
- Availability of other products and services that benefit us, as discussed below (see "Products and services available to us from TD Ameritrade")

## Research and Other Soft Dollar Benefits

*Stella Nova* does not receive research in addition to execution services from a broker-dealer in connection with its clients' securities transactions. These research benefits are commonly referred to as



“soft dollar benefits.” *Stella Nova* may from time to time receive generic market commentaries or market research from broker-dealer firms. However, the receipt of those materials is not tied to the execution of client transactions.

*Stella Nova* seeks to select broker-dealers based upon the broker’s or dealer’s ability to provide best execution, and the Adviser will not cause clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers for the purpose of obtaining soft dollar benefits. Furthermore, *Stella Nova* does not select broker-dealers to execute transactions for client accounts based upon client referrals received from broker-dealers.

### **Brokerage and Client Referrals**

We do not receive compensation or other economic benefits from persons other than clients for providing investment advice or advisory services to its clients. If we run prospecting and promotional campaigns to attract new clients to *Stella Nova*, the campaign may include compensating affiliates, strategic partners, or third-party solicitors for referring *Stella Nova* to prospects. Compensation will include flat fees or payments based on certain performance triggers, like enrolling in *Stella Nova*. Clients are not charged any fee nor do they incur any additional costs for us running these campaigns. Prospects will be informed of any such campaigns receiving compensation prior to becoming a Client.

### **Directed Brokerage**

When you enroll in *Stella Nova*, you will be required to establish a brokerage account through TD Ameritrade. You will agree in your Service Agreement for *Stella Nova* to execute all Portfolio brokerage transactions through their affiliated Broker Dealer. Transactions executed in a TD Ameritrade Brokerage Account will be subject to the broker-dealer’s usual and customary fees, markups, commissions, and charges, as well as a bid-ask spreads, separate and apart from the gross advisory fees assessed by us.

### **Item 8: Client Contact with Portfolio Managers**

Clients should consider that services provided by GSAM through the *Stella Nova* program are primarily offered through electronic means rather than telephonic means to provide customer support. To receive customer support, clients may contact GSAM via email or through the online interface, and prospective clients should be comfortable communicating through those channels. Clients should consider that such customer support is generally educational in nature only, and that although the algorithms that manage client accounts are overseen, monitored, and updated by investment advisory personnel, clients participating in *Stella Nova* will generally not interact directly with such investment advisory personnel, except as described elsewhere in this document.

In addition to the availability of GSAM’s customer service personnel to each client, GSAM provides a materials generated by the firm’s investment professionals on its publicly-available website, including a frequently asked questions site, available at [http:// https://mystellanova.com/conversationstarters](http://https://mystellanova.com/conversationstarters). This information is designed to address commonly asked questions clients have about their accounts and the management of their accounts, and customer service personnel may provide clients links to such material. Clients should be aware that they may not be able to speak to a person during market events, such as periods of exceptional volatility or downturns.

## Item 9: Additional Information

### Disciplinary History

GSAM has not been subject to any disciplinary events by regulators nor is it party to any legal events that are material to client evaluation of our advisory business.

### Financial Industry Activities and Affiliations

The managing members and owners of the Firm are Daniel Catone, Patrick Catone, Kyle Fairall, and John Nahas.

Daniel Catone, Patrick Catone, John Nahas, and Kyle Fairall are also control persons of Golden State Asset Management, LLC, an investment adviser whose principal place of business is in California. The firm provides discretionary sub-advisory services to investment advisors.

Daniel Catone, Patrick Catone, and John Nahas are also control persons of Golden State Wealth Management, LLC, an investment adviser registered with the Securities and Exchange Commission. Golden State Wealth Management, LLC has branches located in California and Washington. The firm provides wealth management services, including portfolio management, financial planning, and retirement consulting, amongst others. Each of the branches of the firm currently operates under a different "Doing Business As" name. Most of the firm's investment adviser representatives are also registered representatives of LPL Financial, LLC ("LPL"), member FINRA/SIPC.

Daniel Catone, Patrick Catone, and John Nahas also own Golden State Equity Partners, LLC, an Investment adviser whose principal place of business is in California. The firm provides wealth management services, including portfolio management, financial planning, and retirement consulting, amongst others.

Daniel Catone is the sole owner of Redwood Investment Group, Inc, an investment adviser whose principal place of business is in California. The Firm provides comprehensive portfolio management services that encompass asset management as well as financial planning/consulting to clients.

### GSAM Code of Ethics

As a fiduciary, it is always an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients. Our fiduciary duty is the underlying principle for our firm's Code of Ethics, which includes procedures for personal securities transaction and insider trading. Our firm always requires all representatives to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws. Upon employment with our firm, and at least annually thereafter, all representatives of our firm will acknowledge receipt, understanding and compliance with our firm's Code of Ethics. Our firm and representatives must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients.

In order to prevent conflicts of interest, our firm has established procedures for transactions effected by our representatives for their personal accounts. In order to monitor compliance with our personal trading policy, our firm has pre-clearance requirements and a quarterly securities transaction reporting system for all our representatives. Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics. Likewise,

related persons of our firm buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics. Further, our related persons will refrain from buying or selling the same securities prior to buying or selling for our clients in the same day unless included in a block trade.

This disclosure is provided to give all clients a summary of our Code of Ethics. If a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

### **Client Referrals and Other Compensation**

We do not receive compensation or other economic benefits from persons other than clients for providing investment advice or advisory services to its clients. If we run prospecting and promotional campaigns to attract new clients to *Stella Nova*, the campaign may include compensating affiliates, strategic partners, or third-party solicitors for referring *Stella Nova* to prospects. Compensation will include flat fees or payments based on certain performance triggers, like enrolling in *Stella Nova*. Clients are not charged any fee nor do they incur any additional costs for us running these campaigns. Prospects will be informed of any such campaigns receiving compensation prior to becoming a Client.

### **Voting Client Securities**

We do not vote or exercise similar rights for your securities. The exercise of all voting rights associated with any security or other property held by you shall be your responsibility. We will not advise or act for you in any legal proceedings, including bankruptcies or class actions, involving securities held or previously held by you or the issuers of those securities. Proxies will be delivered directly by the issuer of the security, the custodian, or its agent.

### **Financial Information**

We are not aware of any financial condition that is reasonably likely to impair our firm's ability to meet its contractual commitments to clients, nor has our firm been the subject of a bankruptcy petition at any time during the past ten years

### **Business Disruption**

There is a risk that a disaster outside of GSAM's control leads to a business disruption. We maintain a business continuity plan designed to allow us to maintain or resume operations as quickly as possible after a business disruption, given its scope and severity.

### **Privacy**

We are committed to protecting our clients' private information. Our firm has instituted policies and procedures to reasonably ensure that customer information is kept private and secure. We do not disclose any non-public personal information about our clients or former clients to any non-affiliated third parties except as required by or permitted by law or agreed to by the client or as otherwise disclosed in the GSAM's Privacy Policy. In the course of servicing a client account, we may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and attorneys; GSAM also maintains physical, electronic, and procedural safeguards to protect client information. A copy of the GSAM's Privacy Policy is provided to you at account opening.

### **Risk of Loss**

Depending on the program selected, GSAM invests enrolled clients' assets in a mix of mutual funds and/or ETFs. All investment portfolios are subject to risks. Accordingly, there can be no assurance that clients will meet their investment objectives and goals, or that investments will not lose money. Certain material risks to which the client's assets may be subject are discussed below:

- **Client Input Risk** As a completely online-based advisory experience, *Stella Nova's* recommendations are highly dependent on the information received by the client which include but are not limited to the Client's projections of future spending needs and responses to visualizations of the potential financial goal planning options. Within the *Stella Nova* online interface, we will also use the information you provided to us to generate goals-based forecasting and recommendations on how to better meet your investment goals, based on your situation and goals at the time you engage the service as you input updated information in the future. Any inaccurate information provided, or not promptly updated, is the responsibility of the client and may affect the quality and applicability of the *Stella Nova* recommendations.
- **Management Risks.** While *Stella Nova* manages assets based on its experience, research and proprietary methods, the value of client investment portfolios will change daily based on the performance of the underlying securities in which they are invested. Accordingly, client investment portfolios are subject to the risk that *Stella Nova* allocates assets to asset classes that are adversely affected by unanticipated market movements, and the risk that the *Stella Nova's* specific investment choices could underperform their relevant benchmarks.
- **Cybersecurity Risks.** The increased use of technology to conduct business could subject GSAM and its third- party service providers to risks associated with cybersecurity. In general, a cybersecurity incident can occur as a result of a deliberate attack designed to gain unauthorized access to digital systems. If the attack is successful, an unauthorized person or persons could misappropriate assets or sensitive information, corrupt data, or cause operational disruption. A cybersecurity incident could also occur unintentionally if, for example, an authorized person inadvertently released proprietary or confidential information.
- **Vendor Risk.** *Stella Nova's* client onboarding capabilities rely on third- party vendors and its integration with the custodian. It is possible that Users' ability to use the *Stella Nova* Website and online Interface could be negatively impacted due to the performance of a third-party vendor. Third-party vendors may limit their liability to Users.
- **Risks Associated with Electronic Trading or Order Routing Systems.** Trading through an electronic trading or order routing system creates risks associated with system or component failure. In the event of system or component failure, *Stella Nova* may not be able to enter new orders, execute existing orders, modify, or cancel orders that were previously entered or determine the status of existing orders. This could result in financial losses to clients.
- **Equity Market Risks.** *Stella Nova* may invest portions of client assets directly into equity investments, or into pooled investment funds that invest in the stock market. As noted above, while pooled investments have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market.
  - **Risks of Investments in Mutual Funds, ETFs and Other Investment Pools.** *Stella Nova* may invest client portfolios in mutual funds and ETFs. Investments in pooled investment funds are often less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the

markets in which they invest. In addition, pooled investment funds' success will be related to the skills of their managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940, as amended.

- **ETF Risks.** The ETF shares used in *Stella Nova* strategies are not redeemable directly with the issuing fund other than in very large aggregations worth millions of dollars. ETFs are subject to market volatility. When buying or selling an ETF, you will pay or receive the current market price, which may be more or less than net asset value.
- **Stock Market Risk.** The risk that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.
- **Industry Concentration Risk.** The risk that there will be overall problems affecting a particular industry.
- **Sector Risk.** The risk that that significant problems will affect a particular sector or that returns from that sector will trail returns from the overall stock market. Daily fluctuations in specific market sectors are often more extreme than fluctuations in the overall market. Because a fund invests all, or substantially all, of its assets in a particular sector, the fund's performance largely depends—for better or for worse—on the general condition of that sector.
- **Investment Style Risks.** Is the chance that: 1) returns from large-capitalization stocks will trail returns from the overall stock market. Large-cap stocks tend to go through cycles of doing better—or worse—than other segments of the stock market or the stock market in general; and 2) Returns from small- and mid-capitalization stocks will trail returns from the overall stock market. Historically, small- and mid-cap stocks have been more volatile in price than the large-cap stocks that dominate the overall market, and they often perform quite differently.
- **International risk or country/regional risk.** Is the chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value of securities issued by companies in foreign countries or regions. Because a fund may invest a large portion of its assets in securities of companies located in any one country or region, including emerging markets, its performance may be hurt disproportionately by the poor performance of its investments in that area. Country/Regional risk is especially high in emerging markets.
- **Emerging markets risk.** is the chance that the stocks of companies located in emerging markets will be substantially more volatile, and substantially less liquid, than the stocks of companies located in more developed foreign markets.
- **Currency risk.** is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates. Currency risk is especially high in emerging markets.
- **Fixed Income Risks.** Sella Nova may invest portions of client assets in to pooled investment funds that invest in bonds and notes. While investing in fixed income instruments through pooled investment funds is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default

by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

- **Call Risk.** The risk that during periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupons or interest rates before their maturity dates. The fund would then lose any potential price appreciation above the bond's call price and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the fund's income. Such redemptions and subsequent reinvestments would also increase a fund's portfolio turnover rate. Call risk is generally low for short-term bond funds, moderate for intermediate-term bond funds, high for long-term bond funds, and high for high-yield bond funds.
- **Prepayment Risk.** The risk that during periods of falling interest rates, homeowners will refinance their mortgages before their maturity dates, resulting in prepayment of mortgage-backed securities held by the fund. The fund would then lose any price appreciation above the mortgage's principal and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the fund's income. Such prepayments and subsequent reinvestments would also increase a bond fund's portfolio turnover rate.
- **Extension Risk.** The risk that during periods of rising interest rates, certain debt securities will be paid off substantially more slowly than originally anticipated, and the value of those securities may fall. This will lengthen the duration or average life of those securities and delay a fund's ability to reinvest proceeds at higher interest rates, making a fund more sensitive to changes in interest rates. For funds that invest in mortgage-backed securities, extension risk is the chance that during periods of rising interest rates, homeowners will repay their mortgages at slower rates.
- **Credit Risk.** The risk that the issuer of a convertible security will fail to pay interest or dividends and principal in a timely manner or that negative perceptions of the issuer's ability to make such payments will cause the price of that security to decline.
- **Income Risk.** The risk that the strategy or fund's income will decline because of falling interest rates. Income risk is generally high for short-term bond funds, low for long-term bond funds, and high for limited-term bond funds.
- **Interest Rate Risk.** The risk that bond and loan prices overall will decline because of rising interest rates.
- **Liquidity Risk.** The risk that the fund may not be able to sell a security in a timely manner at a desired price. Liquidity risk is generally low for short-term bond funds, moderate for intermediate-term bond funds, and high for long-term bond funds.
- **Currency Hedging Risk.** The risk that the currency hedging transactions entered into by a fund may not perfectly offset the fund's foreign currency exposure.

The foregoing risks are just some of the most significant risks that may apply to a client's investments. Clients should understand that investing in any securities, involves a significant risk of loss of both income and principal and that they should be prepared to bear such losses. Investment safety and satisfactory performance is in no way guaranteed and no incremental protections are offered via an investment account with *Stella Nova*.

## Supplement to the *Stella Nova*™ Program Brochure

September 17, 2020

Golden State Asset Management  
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South Coast Metro, CA 92707  
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<http://www.MyStellaNova.com>

This brochure supplement provides information about the qualifications and business practices of those Supervised Persons that provide discretionary investment advice under *Stella Nova*™, the automated digital portfolio management service offered through Golden State Asset Management, LLC (“Golden State”, “GSAM”, “Stella Nova” and/ or the “Firm”). You should have received a copy of the respective brochure. Please contact GSAM at the number above if you didn’t receive a brochure or if you have any questions about the contents of this supplement. Additional information about GSAM is available on the SEC website at [adviserinfo.sec.gov](http://adviserinfo.sec.gov).

*Stella Nova*’s discretionary investment advice is provided by a team and GSAM has provided information for the Supervised Persons with the most significant responsibility for the day-to-day investment advisory services to Clients.

### Daniel Catone

- Education
  - 2001: Whittier College; Bachelor of Science in History & Political Science
- Business Background:
  - 12/2018-present: Golden State Asset Management, LLC; Managing Member, IAR
  - 05/2013-present: Golden State Wealth Management, LLC; Managing Member, IAR
  - 02/2012-present: LPL Financial, LLC; Registered Representative
  - 06/2005-present: Redwood Investment Group, Inc. President & IAR
  - 10/2010-02/2012: Integrity Asset Management; President & Financial Advisor
  - 06/2009-02/2012: Raymond James Financial Services, Inc; Financial Advisor
  - 10/2001-06/2005: Edward Jones Investments; Financial Advisor
- Exams, Licenses, & Other Professional Designations
  - 2012: Accredited Wealth Management Advisor (AWMA®) (see below for more information)
  - 2011: Series 9 & Series 10 Exams
  - 2006: Series 66 Exam
  - 2002: Insurance Agent
  - 2001: Series 7 & Series 63 Exams
- Disciplinary Information: None
- Other Business Activities: Mr. Catone also owns an interest in Golden State Wealth Management, LLC, Golden State Equity Partners, LLC and Redwood Investment Group, Inc., which are affiliated registered investment advisers under common control. He is also a registered representative with LPL Financial.
- Supervision: Mr. Catone reports to Patrick Catone, the Chief Compliance Officer.

### **Patrick Catone**

- Education
  - 2008: California State University; Bachelor of Arts in Communications/Advertising
- Business Background:
  - 1/2019-present: LPL Financial, LLC; Registered Representative
  - 12/2018-present: Golden State Asset Management, LLC; Managing Member, Chief Compliance Officer, & IAR
  - 03/2018-present: Golden State Equity Partners, LLC; Managing Member
  - 05/2013-present: Golden State Wealth Management, LLC; Managing Member, Chief Compliance Officer, & IAR
  - 06/2012-3/2018: LPL Financial, LLC; Registered Representative
  - 06/2012-present: Redwood Investment Group, Inc; IAR
  - 11/2009-03/2018: Raymond James Financial Services, Inc; Financial Advisor
- Exams, Licenses, & Other Professional Designations
  - 2013: Series 24 Exam
  - 2012: Fixed & Variable Annuity Insurance
  - 2011: Series 7 & Series 66 Exams
  - 2010: Accident & Health & Life Insurance
- Disciplinary Information: None
- Other Business Activities: Mr. Catone also owns an interest in Golden State Wealth Management, LLC and Golden State Equity Partners, LLC, which are affiliated registered investment advisers under common control.
- Supervision: Mr. Catone is supervised by Daniel Catone.

### **Kyle Fairall**

- Education
  - 2005: California State University, Sacramento; Bachelor of Arts in Finance and Minor in Economics
- Business Background:
  - 12/2013-present: Golden State Asset Management, LLC; Member & IAR
  - 03/2016-present: Golden State Wealth Management, LLC; Wealth Manager
  - 04/2014-present: Redwood Investment Group, Inc., LLC; Financial Advisor
  - 07/2014-present: LPL Financial, LLC; Registered Representative
- Exams, Licenses, & Other Professional Designations
  - 2014: Series 7 & Series 66 Exams
  - 2014: California Life Insurance
- Disciplinary Information: None
- Other Business Activities: Mr. Fairall is also a registered representative with LPL Financial.
- Supervision: Mr. Fairall is supervised by Patrick Catone, GSAM's Chief Compliance Officer.



## John Nahas

- Education
  - 2000: University of Southern California; Business
- Business Background:
  - 07/2020-present: Golden State Asset Management, LLC; Managing Member & IAR
  - 2/2019-present: LPL Financial, LLC; Registered Representative
  - 11/2017-present: Golden State Equity Partners, LLC; Managing Member & IAR
  - 02/2014-present: Golden State Wealth Management, LLC; Financial Advisor
  - 02/2014-11/2017: LPL Financial, LLC; Registered Representative
- Exams, Licenses, & Other Professional Designations
  - 2001: Series 6 & 63 Exams
  - 2002: Series 7 Exam
  - 2014: Series 65 Exam
- Disciplinary Information: None
- Other Business Activities: Owner and/or investment advisor representatives of Golden State Wealth Management, LLC, Golden State Equity Partners, LLC.
- Supervision: Mr. Nahas is supervised by Patrick Catone, GSAM's Chief Compliance Officer.

## Designations

Mr. Daniel Catone holds the Accredited Wealth Management Advisor designation. The College for Financial Planning® awards the ACCREDITED WEALTH MANAGEMENT ADVISOR<sup>SM</sup> AND AWMA® designation to students who successfully complete the program, pass the final examination and comply with the Code of Ethics, which includes agreeing to abide by the Standards of Professional Conduct and Terms and Conditions. Applicants must also disclose of any criminal, civil, self-regulatory organization, or governmental agency inquiry, investigation, or proceeding relating to their professional or business conduct. Conferment of the designation is contingent upon the College for Financial Planning's review of matters either self-disclosed or which are discovered by the College that are required to be disclosed.

Continued use of the AWMA® designation is subject to ongoing renewal requirements. Every two years individuals must renew their right to continue using the AWMA® designation by completing 16 hours of continuing education and reaffirming to abide by the Standards of Professional Conduct, Terms and Conditions, and self-disclose any criminal, civil, self-regulatory organization, or governmental agency inquiry, investigation, or proceeding relating to their professional or business conduct.

GSAM has no affiliation with the College for Financial Planning.

Advisory services are provided by Golden State Asset Management, a registered investment advisor. If you have any questions about our services, please call 866-273-1563- and leave your name and a phone number where you can be reached. A member of our management team will contact you within two business days.