

**Item 1 – Cover Page**

**Form ADV Part 2A Disclosure Brochure**

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This brochure provides information about the qualifications and investment advisory business practices of ARS Wealth Advisors Group, LLC (“ARS Wealth”). If you have any questions about the contents of this brochure, please contact us at (727) 322-7681 or [drew.swenson@arswealth.com](mailto:drew.swenson@arswealth.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

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

*References herein to ARS Wealth as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.*

## **Item 2 – Material Changes**

The initial filing of ARS Wealth Advisors Group, LLC's brochure was dated May 13, 2021.

We offer clients the option of obtaining certain financial solutions from unaffiliated third-party financial institutions with the assistance of our affiliate, Focus Client Solutions ("FCS"). FCS does not receive any compensation from such third-party institutions from serving our clients. Further information on this conflict of interest is available in Items 4, 5, and 10 of this Brochure.

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## **Item 4 – Advisory Business**

### Description of Advisory Firm

ARS Wealth Advisors Group, LLC (“ARS Wealth”) is an investment adviser registered with the United States Securities and Exchange Commission (“SEC”) and is a limited liability company formed under the laws of the State of Delaware. ARS Wealth acquired the investment advisory business of ARS Wealth Advisors, LLC which was founded in 1997.

ARS Wealth is part of the Focus Financial Partners, LLC (“Focus LLC”) partnership. Specifically, ARS Wealth is a wholly owned subsidiary of Focus Operating, LLC (“Focus Operating”), which is a wholly owned subsidiary of Focus LLC. Focus Financial Partners Inc. (“Focus Inc.”) is the sole managing member of Focus LLC and is a public company traded on the NASDAQ Global Select Market. Focus Inc. owns approximately two-thirds of the economic interests in Focus LLC.

Focus Inc. has no single 25% or greater shareholder. Focus Inc. is the managing member of Focus LLC and has 100% of its governance rights. Accordingly, all governance is through the voting rights and Board at Focus Inc. As of June 30, 2021, investment vehicles affiliated with Stone Point Capital, LLC (“Stone Point”) had an approximately 22% voting interest in Focus Inc. and Stone Point had the right to designate two of eight directors on the Focus Inc. Board.

Focus LLC also owns other registered investment advisers, broker-dealers, pension consultants, insurance firms, business managers and other firms (the “Focus Partners”), most of which provide wealth management, benefit consulting and investment consulting services to individuals, families, employers, and institutions. Some Focus Partners also manage or advise limited partnerships, private funds, or investment companies as disclosed on their respective Form ADVs.

ARS Wealth is managed by Anthony Anderson, Michael Murray and Andrew Swenson (“ARS Principals”), pursuant to a management agreement between BrightWaters Management Company, LLC and ARS Wealth. The ARS Principals serve as officers of ARS Wealth and are responsible for the management, supervision and oversight of ARS Wealth.

### General Description of Advisory Services

The following are brief descriptions of our primary services. A detailed description of ARS Wealth’s services is provided in Item 5 – Fees and Compensation so that clients and prospective clients can review the services and description of fees in a side-by-side manner.

**Portfolio Management Services** – We provide advisory services in the form of portfolio management services. Portfolio management services involve providing clients with continuous and on-going supervision over client accounts. This means that ARS Wealth will continuously monitor a client’s account and make trades in client accounts when necessary.

**Financial Planning Services** – We offer advisory services in the form of financial planning services. Financial planning services do not involve the active management of client accounts, but instead focuses on a client’s overall financial situation. Financial planning can be described as helping individuals determine and set their long-term financial goals, through investments, tax planning, asset allocation, risk management, retirement planning, and other areas. The role of a financial planner is to find ways to help the client understand his/her overall financial situation and help the client set financial objectives.

Tax Preparation and Consulting Services – ARS Wealth offers tax return preparation and consulting services to its clients who receive portfolio management services and/or financial planning services. The fee for tax preparation and consulting services generally depends on the complexity of the engagement and scope of work.

#### Limits Advice to Certain Types of Investments

ARS Wealth provides investment advice on the following types of investments.

- Domestic & International Stocks
- Bonds
- Mutual Funds
- Exchange Traded Funds (ETFs)
- Certificates of Deposit (CD's)
- Money Market Funds and Cash

When providing portfolio management services, the firm will typically construct each client's account holdings using bonds, equities, ETFs, mutual funds, CD's, and Money Market Funds and Cash to build diversified portfolios. It is not ARS Wealth's typical investment strategy to attempt to time the market, but we may increase cash holdings as deemed appropriate based on your risk tolerance and short and long-term goals. We may modify our investment strategy to accommodate special situations such as: low basis stock, stock options, legacy holdings, inheritances, closely held businesses, or special tax situations.

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

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

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

#### Focus Client Solutions

We offer clients the option of obtaining certain financial solutions from unaffiliated third-party financial institutions with the assistance of our affiliate, Focus Client Solutions ("FCS"), a wholly owned subsidiary of our parent company, Focus Financial Partners, LLC. Please see Items 5 and 10 for a fuller discussion of these services and other important information.

#### Client Assets Managed by ARS Wealth

As of July 1, 2021, ARS Wealth had \$752,456,852 in assets under management on a discretionary basis and \$8,776,550 in assets under management on a non-discretionary basis

## Item 5 – Fees and Compensation

In addition to the information provide in Item 4 – Advisory Business, this section provides details regarding ARS Wealth’s services along with descriptions of each service’s fees and compensation arrangements.

### Portfolio Management Services

Most clients receiving this Disclosure Brochure will be signing up for our private wealth management service which can best be defined as giving continuous investment advice to a client and making investments for the client based on the individual needs of the client. Through this service, we offer a highly customized and individualized investment program for each client. A specific investment strategy is crafted to focus on the specific client’s goals and objectives.

We provide our private wealth management service through accounts maintained at a qualified custodian recommended by ARS Wealth (please refer to Item 15 – Custody for more information). As a condition of this program, ARS Wealth will be granted discretionary trading authorization on the client’s account. This enables us to move client funds among stocks, bonds, ETFs, mutual funds or other investments at our discretion (please refer to Item 16 – Investment Discretion for more information).

You are responsible for notifying us of any changes to your financial situation or investment objectives. We are available to consult with you relative to the status of your accounts under our management. A separate account is maintained for every client with the broker-dealer/custodian and you retain all rights of ownership to your accounts (e.g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

### Administrative Services Provided by *Envestnet | Tamarac*

ARS Wealth has contracted with Envestnet | Tamarac (referred to as “Tamarac”) to utilize its technology platforms to support data reconciliation, performance reporting, fee calculation and billing, client database maintenance, quarterly performance evaluations, client portal (website) administration, models, trading platforms, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement, Tamarac will have access to financial information in client accounts, but Tamarac will not serve as an investment adviser to ARS Wealth clients. ARS Wealth and Tamarac are non-affiliated companies.

### Fees for Portfolio Management Services

ARS Wealth is a fiduciary, “fee only” investment adviser and generally charges its clients an annual percentage-based fee for portfolio management services based on the following schedule:

<u>Assets under Management</u>	<u>Total Annualized Asset Management Fee</u>	<u>Management Fee (Billed Quarterly)</u>
First \$2 Million	1.00%	0.2500%
Amounts in excess of \$2 Million & up to \$5 Million	0.75%	0.1875%
Amounts in excess of \$5 Million	0.50%	0.1250%
Minimum Relationship Size - \$500,000 Minimum Annual Fee - \$5,000		

ARS Wealth's fees are potentially negotiable from the rates set forth above. Our fees vary depending upon various objective and subjective factors, including, but not limited to, the amount of assets to be managed, account composition, the scope and complexity of the engagement, the anticipated number of meetings and servicing needs, related accounts, future earning capacity, anticipated future additional assets, the professional(s) rendering the service(s), and the outcome of negotiations with the client. As a result of these factors, similarly-situated clients could pay different fees.

The quarterly fee is based on the fair market or agreed upon value of the client's account assets determined as of the last business day of the previous calendar quarter and are payable in advance.

Fees are generally deducted directly from the client's account. When fees are deducted from your account, you will need to provide the custodian with written authorization to have fees deducted from the account and paid to ARS Wealth. The custodian will send client statements, at least quarterly, showing all disbursements for the account including the amount of the advisory fee, if deducted directly from the account (please refer to Item 13 – Review of Accounts for more information regarding client statements).

If management begins after the start of a quarter, fees will be prorated accordingly. If a client terminates the investment management agreement with ARS Wealth in the middle of a billing period ARS Wealth will promptly refund to the client any paid but unearned fees. The amount of the refund will be pro-rated based on the number of days that the account was managed.

Brokerage fees and/or transaction ticket fees charged by the custodian will be billed directly to each client's account. We do not receive any portion of such commissions or fees from the custodian or from clients. Management fees charged by ARS Wealth are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds, that ARS Wealth recommends to clients. A description of these fees and expenses are available in each investment company security's prospectus.

ARS Wealth calculates its management fee against all assets in the investment account, unless specifically excluded. Therefore, fee calculations include cash balances invested in money market funds, short-term investment funds, ETFs, mutual funds, stocks, bonds, and all other investment holdings. The exact services and fees will be agreed upon and disclosed in the agreement for services prior to services being provided. Fees may be negotiable based on factors such as the client's financial situation and circumstances, the amount of assets under management, and the overall complexity of the services provided.

In very limited circumstances, clients choose to engage ARS Wealth for general consultation on an hourly basis. Fees for this service will be charged at a rate of \$250 per hour. The rate charged is determined by the individuals involved in the project and the overall scope of the services rendered. In most cases, fees for this service are charged in total at the conclusion of the service.

Portfolio management services may be terminated by either party at any time without penalty.

#### Financial Planning Provided under Portfolio Management Services

For some clients we may provide financial planning services under several formats at the client's specific direction. This service is included in the annual fee.

The financial planning services we provide may be specific or modular in their preparation (unique to each client in their depth of preparation). Topics included as part of the financial planning services include, but are not necessarily limited to, the following:

- Organization and assessment
- Retirement planning
- Education planning
- Long-term care
- Insurance planning
- Debt management
- Investments
- Tax planning
- Estate planning
- Life events

We will interview and consult with each client to determine the client's personal financial situation and objectives and to analyze the client's financial documentation. As applicable, we then review the client's assets and liabilities, investment portfolio, retirement plan, education plan, risk management plan, risk tolerance, and estate plan, as well as other areas relevant to the client's financial health.

We meet with each client to explain the financial plan and our recommendations. Furthermore, we are available to work with the client throughout the year to implement the plan. As needed, the plan is updated to consider changes in the client's financial situation as well as changes in the investment markets, tax laws, estate planning laws, and so on. The client is ultimately responsible for communicating changes in circumstances to ARS Wealth so that we can provide the most accurate advice and counsel possible. Our advisers are available year-round to assist with the implementation of the plan and to answer any client questions, but the client is ultimately responsible for approving the implementation or rejection of our recommendations. This means you are never obligated or required to implement our recommendations.

#### Financial Planning for Fee

At our discretion, we may enter into an engagement with a client to create a one-time, customized financial plan on a fee basis. ARS Wealth rarely agrees to enter into such an arrangement. Such a plan will include topics described in the preceding section as agreed upon by ARS Wealth and the client. Fees for such a plan are determined on a case by case basis, based on the level of expertise and sophistication required to deliver such a plan. However, fees are generally charged on a fixed fee basis ranging between \$1,500 and \$5,000 depending on the breadth of services provided, the complexity of the client's situation, and the advisory representative providing services to the client. Prior to commencing financial planning services, the client will be required to enter into an agreement for services.



### Fees for Tax Preparation and Consulting Services

ARS Wealth offers tax return preparation and consulting services to its clients who receive portfolio management services and/or financial planning services. The fee for tax preparation and consulting services generally depends on the complexity of the engagement and scope of work. If the fee for tax preparation and consulting services is not included in a client's portfolio management services fee or financial planning fee, then the fee generally is directly billed to the client upon completion of the services, for example, upon the filing of a tax return. A client, may, in writing, grant ARS Wealth the authority to deduct the tax preparation and consulting fee from their investment account.

### Focus Client Solutions

We offer clients the option of obtaining certain financial solutions from unaffiliated third-party financial institutions with the assistance of our affiliate, Focus Client Solutions ("FCS"). FCS does not receive any compensation from such third-party institutions from serving our clients. Further information on this conflict of interest is available in Item 10 of this Brochure.

### Compensation for the Sale of Securities

We do not accept compensation for the sale of securities or other investment products.

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

ARS Wealth does not charge or accept performance-based fees which can be defined as fees based on a share of capital gains on or capital appreciation of the assets held within a client's account.

## **Item 7 – Types of Clients**

ARS Wealth primarily provides customized investment management services to individuals, high-net-worth individuals and associated trusts, estates, pension and profit-sharing plans and other legal entities. ARS Wealth offers tax preparation and consulting services to individuals, trusts and entities.

We generally require a minimum account asset level of \$500,000 for portfolio management services; however, in our sole discretion, we may reduce or waive this minimum account asset level requirement or charge a different investment advisory fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, or negotiations with the client.

As result of the foregoing, similarly-situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees.

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

### ARS Wealth uses the following methods of analysis in formulating investment advice

Cyclical - Analyzes the investments sensitive to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company will often rise before an economic upturn begins and fall before a downturn begins. Investors in cyclical stocks try to make the largest gains by buying the stock at the bottom of a business cycle, prior to an economic rebound.

While most economists and investors agree that there are cycles in the economy that need to be respected, the duration of such cycles is generally unknown. An investment decision to buy at the bottom of a business cycle may actually turn out to be a trade that occurs before or after the bottom of the cycle. If done before the bottom, then downside price action can result prior to any gains. If done after the bottom, then some upside price action may be missed. Similarly, a sell decision meant to occur at the top of a cycle may result in missed opportunity or unrealized losses.

**Fundamental** - A method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of companies).

The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation could be wrong and lead to an unfavorable investment decision.

ARS Wealth uses the following investment strategies when managing client assets and/or providing investment advice

Our equity approach primarily focuses on holding a diversified portfolio of high quality "core" stocks and exchange traded funds (ETFs). Our investment style is a blend of both the "value" & "growth" styles of management. Generally, our stock selection criteria will include a review of the following items:

- Proven management;
- Attractive product lines with high barriers to entry;
- Industry leaders;
- Strong cash flow and balance sheet;
- Above-average earnings and revenue growth;
- Attractive dividend yield with room to grow;
- Low absolute and relative valuations;
- Market capitalization and trading volume to accommodate block trades; and
- Any other factors considered relevant.

Our fixed income approach primarily focuses on achieving ownership in fixed income via ETF's and no-load mutual funds. We look to own a broad base of fixed income investments including

US Treasuries, corporate bonds, international bonds, high yield bonds, CD's and Money Market Funds and Cash.

For mutual funds the analysis and selection criteria generally include a review of:

- No-load funds;
- Manager's tenure – experienced managers with proven track records;
- Low expense ratios;
- Consistent top-tier relative performance;
- Low turnover;
- Attractive dividend and income yields;
- Focused “concentrated” number of holdings; and
- Any other factors considered relevant.

### Risk of Loss

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

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

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

- Fixed income risk – When investing in bonds, there is the risk that issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- ETF and mutual fund risk – When we invest in an ETF or mutual fund for a client, the client will bear additional expenses based on its pro rata share of the ETFs or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will also incur brokerage costs when purchasing ETFs.
- Management risk – Your investment success with ARS Wealth varies with the success and failure of its investment strategies, research, analysis and determination of portfolio securities. If ARS Wealth's investment strategies do not produce the expected returns, the value of the investment will decrease.

The Investment Committee formally meets monthly and more frequently on an informal basis to discuss existing and prospective investments. Investments are evaluated independently, as well as in the context of clients' existing holdings and sector exposures.

ARS Wealth primarily invests for relatively long-time horizons, often for a year or more. However, market developments could cause ARS Wealth to sell securities more quickly.

### Cybersecurity

The computer systems, networks and devices used by ARS Wealth and service providers to us and our clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

## **Item 9 – Disciplinary Information**

ARS Wealth and its employees have not been involved in any legal or disciplinary events that would be material to a client's evaluation of the company or its personnel.

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

ARS Wealth is managed independently of any Focus affiliate and provides investment advisory services, financial planning services and tax preparation and consulting services. The firm is not engaged in any other business activities and offers no other services than those described in this Disclosure Brochure.

### Focus Financial Partners

As noted above in response to Item 4, certain investment vehicles managed by Stone Point are principal owners of Focus LLC and Focus Inc. Because ARS Wealth is an indirect, wholly owned subsidiary of Focus LLC and Focus Inc., the Stone Point investment vehicles are indirect owners of ARS Wealth. None of Stone Point or any of its affiliates participates in the management or investment recommendations of our business.

### Focus Client Solutions

We offer clients the option of obtaining certain financial solutions from unaffiliated third-party financial institutions with the assistance of our affiliate, Focus Client Solutions (“FCS”), a wholly owned subsidiary of our parent company, Focus Financial Partners, LLC. These third-party financial institutions are banks and non-banks (the “Network Institutions”) that offer credit and cash management solutions to our clients. Certain other unaffiliated third parties provide administrative and settlement services to facilitate FCS’s cash management solutions. FCS acts as an intermediary to facilitate our clients’ access to these credit and cash management solutions.

FCS receives a portion of the revenue earned by the Network Institutions from providing services to the clients of some of our affiliates. Such fees are also revenue for our common parent company, Focus Financial Partners, LLC. Although FCS does not receive any compensation from Network Institutions from serving our clients, the volume generated by our clients’ transactions benefits FCS and Focus in attracting, retaining, and negotiating with Network Institutions. Accordingly, for those reasons, we have a conflict of interest when recommending FCS’s services to clients. We mitigate this conflict by: (1) fully and fairly disclosing the material facts concerning the above arrangements to our clients, including in this Brochure; and (2) offering FCS solutions to clients on a strictly nondiscretionary and fully disclosed basis, and not as part of any discretionary investment services. Additionally, we note that clients who use FCS’s services will receive robust product-specific disclosure from the Network Institutions and other unaffiliated third-party intermediaries that provide services to our clients.

We have an additional conflict of interest when we recommend FCS to provide credit solutions to our clients because our interest in continuing to receive investment advisory fees from client accounts gives us a financial incentive to recommend that clients borrow money rather than liquidating some or all of the assets we manage.

### FCS Credit Solutions

For FCS credit solutions, the interest rate of the loan is ultimately dictated by the lender, although in some circumstances FCS may have the ability to influence the lender to lower the interest rate of the loan within certain parameters. The final rate may be higher or lower than the prevailing market rate. We can offer no assurances that the rates offered to you by the lender are the lowest possible rates available in the marketplace.

Clients retain the right to pledge assets in accounts generally, subject to any restrictions imposed by clients’ custodians. While the FCS program facilitates secured loans through Network Institutions, clients are free instead to work directly with institutions outside the FCS program. Because of the limited number of participating Network Institutions and FCS’s financial

arrangements with those institutions, clients may be limited in their ability to obtain as favorable loan terms as if the client were to work directly with other banks to negotiate loan terms or obtain other financial arrangements.

Clients should also understand that pledging assets in an account to secure a loan involves additional risk and restrictions. A Network Institution has the authority to liquidate all or part of the pledged securities at any time, without prior notice to clients and without their consent, to maintain required collateral levels. The Network Institution also has the right to call client loans and require repayment within a short period of time; if the client cannot repay the loan within the specified time period, the Network Institution will have the right to force the sale of pledged assets to repay those loans. Selling assets to maintain collateral levels or calling loans may result in asset sales and realized losses in a declining market, leading to the permanent loss of capital. These sales also may have adverse tax consequences. Interest payments and any other loan-related fees are borne by clients and are in addition to the advisory fees that clients pay us for managing assets, including assets that are pledged as collateral. The returns on pledged assets may be less than the account fees and interest paid by the account. Clients should consider carefully and skeptically any recommendation to pursue a more aggressive investment strategy in order to support the cost of borrowing, particularly the risks and costs of any such strategy. More generally, before borrowing funds, a client should carefully review the loan agreement, loan application, and other forms and determine that the loan is consistent with the client's long-term financial goals and presents risks consistent with the client's financial circumstances and risk tolerance.

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

### Code of Ethics Summary

ARS Wealth has established a Code of Ethics that applies to all employees of ARS Wealth and is designed to, among other things; govern personal securities trading activities in the accounts of employees. The Code is based upon the principle that ARS Wealth and its employees owe a fiduciary duty to ARS Wealth's clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid (i) serving their own personal interests ahead of clients, (ii) taking inappropriate advantage of their position with the firm and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

The Code is designed to ensure that the high ethical standards long maintained by ARS Wealth continue to be applied. The purpose of the Code is to preclude activities which may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct. The excellent name and reputation of our firm is a direct reflection of the conduct of each employee. This section is intended to be a summary of the ARS Wealth code of ethics. Clients may receive a complete copy of the Code of Ethics upon request.

### Participation or Interest in Client Transactions

ARS Wealth and its associated persons may buy or sell securities that are also recommended to clients. Securities recommended by ARS Wealth are widely held and publicly traded. In addition, in accordance with its fiduciary duty to clients, ARS Wealth and its associated persons will place client interests ahead of their own interests. Employees must receive pre-clearance from our CCO before engaging in personal securities transactions. We also require employees to report their personal securities holdings and transactions. ARS Wealth monitors employees' trading activities and investments to ensure compliance with our Code of Ethics and our general fiduciary duty to clients.

## Item 12 – Brokerage Practices

### Recommendation of Broker/Dealers and Custodians

You are under no obligation to act on the recommendations of ARS Wealth and are free to select any broker/dealer or investment adviser you'd like to implement our recommendations. If you hire us for our private wealth management service, then ARS Wealth will be responsible for executing your account transactions and therefore responsible for attaining the best execution possible. Please note that we cannot promise or guarantee our brokerage platforms are the least expensive in the industry. There may be other platforms with lower costs.

ARS Wealth recommends that you establish brokerage accounts with TD Ameritrade, Charles Schwab & Company, Inc., or other qualified custodians through their Institutional Platforms (collectively referred to as "Qualified Custodians").

ARS Wealth is not affiliated with the Qualified Custodians. Factors that we consider in recommending the above-referenced entities (or in evaluating any other broker-dealer or custodian to clients) include their historical relationship with us, financial strength, reputation, execution capabilities, pricing, efficiency, technology, research, custodial support services, trade correction services and statement preparation. While quality of execution at the best price is an important determinant, best execution does not necessarily mean lowest price and it is not the sole consideration.

Qualified Custodians provide ARS Wealth with access to their institutional trade execution, clearance and settlement service and custody services which are typically not available to retail investors. These services generally are available to independent investment advisers at no charge to them so long as the independent investment advisers maintain a minimum amount of assets with the custodian.

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

These benefits include, but are not necessarily limited to: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk; access to block trading which provides the ability to aggregate securities transactions and allocate the appropriate shares to client accounts; the ability to have investment advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; and access to mutual funds that generally require significantly higher minimum initial investments or are generally only available to institutional investors.

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

The benefits received by ARS Wealth or its personnel from Qualified Custodians do not depend on the amount of brokerage transactions directed to a Qualified Custodian. As part of its fiduciary duty to clients, ARS Wealth endeavors to put the interests of its clients first. Clients should be aware, however, that the receipt of these support services benefits by ARS Wealth or its related persons creates a potential conflict of interest and may influence ARS Wealth's choice of a particular Qualified Custodian for custody and brokerage services. (Please refer to Item 14 – Additional Compensation for more information).

Please note that not all investment advisers recommend or require the use of particular broker/dealers. Some investment advisers permit client to use any broker/dealer of the client's own choosing. In very rare cases, we may work with a client that wants to direct us to use a particular broker/dealer for standard brokerage accounts. In such cases, those clients must understand that we may be unable to effectively negotiate brokerage compensation on the client's behalf. When directing brokerage business, clients should consider whether the commission expenses and execution, clearance and settlement capabilities that they will obtain through their selected broker/dealer(s) are adequately favorable in comparison to those that we would otherwise obtain for our clients. Clients with client-directed brokerage arrangements should also understand we may be limited in our trading ability (compared to platforms recommended by ARS Wealth) and may be required to execute client directed trades after trades are implemented through accounts at our preferred platforms. Clients are encouraged to discuss available alternatives with their advisor representative.

In addition, we may also render investment management services to clients regarding their (1) variable life/annuity products that they own, (2) their individual employer-sponsored retirement plans, and/or (3) 529 college savings plans. In these situations, ARS Wealth either directs or recommends the allocation of client assets among the various mutual fund subdivisions that comprise the variable life/annuity product, retirement plan, or college savings plan. The client assets shall be maintained at either the specific insurance company that issued the variable life/annuity product which is owned by the client or at the custodian designated by the sponsor of the client's retirement plan or college savings plans.

We may recommend low cost, no load variable annuities, but only in specific scenarios where the client would be disadvantaged by surrendering an existing non-qualified annuity or insurance policy that would result in adverse tax consequences. Otherwise, we do not have arrangements whereby we recommend specific variable annuity sponsor companies or retirement plan sponsors. We also recommend TD Ameritrade's 529 plan platform for clients that need or request a recommended 529 platform.

Although we recommend these platforms, we do not represent or guarantee that we will achieve the most favorable execution of client transactions and the platforms we recommend may be more expensive than other platforms offering the same or similar services. Clients are never required or obligated to utilize sponsors recommended by ARS Wealth and may use any plan/product sponsor they choose.

We may purchase individual fixed income securities from brokers other than the custodian. The determination to use third-party brokers is based on the size of trade, lot type (i.e. odd lots versus even lots), bond issuer, highest bid received from broker versus current market value. Third-party fixed income brokers will be evaluated through a review of pricing schedule for trade commissions, services provided to both client and ARS Wealth, accuracy of execution and delivery of securities, and highest bid received for similar issues.



## Block Trading Policy

The majority of trades implemented by ARS Wealth are completed on an individual basis. In cases when we need to implement buys or sells of the same security for numerous accounts, we may elect to purchase or sell such securities at approximately the same time as a block trade. This process is also referred to as aggregating orders and batch trading and is used by our firm when we believe such action will prove advantageous to clients. If and when we aggregate client orders, allocating securities among client accounts is done on a fair and equitable basis. The process of aggregating client orders is done in order to achieve better execution across client accounts. We may also do it to achieve more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently.

We use the pro rata allocation method for transaction allocation. Under this procedure, pro rata trade allocation means an allocation of the trade is issued among applicable advisory clients in amounts that are proportional to the participating advisory client's intended investable assets. We will calculate the pro rata share of each transaction included in a block order and assign the appropriate number of shares of each allocated transaction executed for the client's account. This process is executed on a per-custodian basis. For example, all accounts held at TD Ameritrade would receive the average price of all shares block traded at TD Ameritrade. All accounts held at Charles Schwab would receive the average price of all shares block traded at Charles Schwab. It is possible that clients at different custodians receive different average prices for block trades executed on the same trading day.

If and when we determine to aggregate client orders for the purchase or sale of securities, including securities in which our employees may invest, we will do so in accordance with the parameters set forth in the SEC No-Action Letter, SMC Capital, Inc. Neither we nor our employees receive any additional compensation as a result of block trades.

## Arrangements with TD Ameritrade

The recommendation of TD Ameritrade and any other broker/dealer is based on past experiences, minimizing commissions and other costs as well as offerings or services the broker/dealer provides that ARS Wealth or clients may require or find valuable such as online access. Clients may pay commissions higher than those obtainable from other broker/dealers in return for those products and services. Commission and fee structures of various broker/dealers are periodically reviewed to ensure clients are receiving best execution. Accordingly, while ARS Wealth will consider competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. Therefore, the overall services provided by the broker/dealer are evaluated to determine best execution.

Although we consider the overall services provided by TD Ameritrade and factor the benefits provided to our clients, we have material arrangements with TD Ameritrade that create an incentive for us to recommend TD Ameritrade over other broker/dealers. Some of the arrangements may result in conflicts of interest with our clients and are explained in the following sections.

ARS Wealth participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. member FINRA/SIPC. TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisers services which include custody of securities, trade execution, clearance and settlement of transactions. ARS Wealth receives some benefits from TD Ameritrade through its participation in the program.

While there will not be a direct linkage between the investment advice provided by ARS Wealth and the broker/dealers it recommends, economic benefits may be received that would not be received if ARS Wealth did not use these services to implement the investment advice provided. These benefits include: receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor 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 ARS Wealth by third party vendors.

Some of the products and services made available by TD Ameritrade through the program may benefit ARS Wealth but may not benefit its client accounts. These products or services may assist ARS Wealth in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help ARS Wealth manage and further develop its business enterprise. The benefits received by ARS Wealth 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, ARS Wealth endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by ARS Wealth or its related persons in and of itself creates a potential conflict of interest and may indirectly influence ARS Wealth choice of TD Ameritrade for custody and brokerage services.

ARS Wealth does not receive soft dollar benefits.

#### Brokerage for Client Referrals – TD Ameritrade

ARS Wealth receives client referrals from TD Ameritrade through its participation in TD Ameritrade AdvisorDirect (the “referral program”). In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, ARS Wealth participates in AdvisorDirect based on the amount and profitability to TD Ameritrade of the assets in, and trades placed for, client accounts maintained with TD Ameritrade. TD Ameritrade is a discount broker-dealer unaffiliated with ARS Wealth. TD Ameritrade has established the referral program as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisers. TD Ameritrade does not supervise ARS Wealth and has no responsibility for ARS Wealth’s management of client portfolios or ARS Wealth’s other advice or services. ARS Wealth pays TD Ameritrade an on-going fee for each successful client referral. This fee is usually a percentage (not to exceed 25% in the AdvisorDirect program) of the advisory fee that the client pays to ARS Wealth (“Solicitation Fee”).

ARS Wealth may also pay TD Ameritrade the Solicitation Fee on any advisory fees received by ARS Wealth from any of a referred client’s family members, including a spouse, child or any other immediate family member who resides with the referred client and hired ARS Wealth on the recommendation of such referred client. ARS Wealth will not charge clients referred through AdvisorDirect any fees or costs higher than its standard fee schedule offered to its clients or otherwise pass Solicitation Fees paid to TD Ameritrade to its clients. For information regarding additional or other fees paid directly or indirectly to TD Ameritrade, please refer to the TD Ameritrade AdvisorDirect Disclosure and Acknowledgement Form.

ARS Wealth’s participation in AdvisorDirect raises potential conflicts of interest. TD Ameritrade will most likely refer clients through AdvisorDirect to investment advisers that encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade.

Consequently, in order to obtain client referrals from TD Ameritrade, ARS Wealth has an incentive to recommend to clients that the assets under management by ARS Wealth be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. In addition, ARS Wealth has agreed not to solicit clients referred to it through AdvisorDirect to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when its fiduciary duties require doing so. ARS Wealth's participation in AdvisorDirect does not diminish its duty to seek best execution of trades for client accounts.

### **Item 13 – Review of Accounts**

#### **Account Reviews and Reviewers**

Reviews of clients' portfolios are conducted daily to assure proper credits and debits and related matters. ARS Wealth reviews client accounts in their entirety on at least an annual basis. Portfolios are also reviewed on an informal and periodic basis as requested or needed, such as a change in client investment objectives or financial situation or market corrections. Your investment adviser representative is the primary person responsible for reviewing your individual accounts managed by ARS Wealth. Your investment adviser representative may seek the advice of other ARS Wealth advisory personnel when conducting reviews and formulating strategies.

As part of our fiduciary duty to clients, we endeavor at all times to put the interests of our clients first. In selecting new holdings for our portfolios and evaluating those currently used, ARS Wealth utilizes an Investment Committee to review both quantitative and qualitative factors including internal costs, expense ratios, diversification and tracking error. ARS Wealth's Chief Compliance Officer attends Investment Committee meetings.

Financial plans are typically updated on an annual basis, however at the client's request financial plans can be updated more frequently.

Comprehensive financial planning is included as part of the ARS Wealth private wealth management service. The financial plan includes a net worth statement, retirement projections, education projections, asset allocation analysis and recommendations, diversification recommendations, a risk tolerance assessment, a risk management review, an estate planning review, as well as additional issues. ARS Wealth reviews a client's financial situation in detail. Similar to reviews of investment management accounts, your investment adviser representative is the primary person responsible for preparing and updating financial plans, but can seek the assistance of other advisory personnel when needed. You can call, e-mail or schedule in-person meetings with your investment adviser representative as often as needed.

#### **Statements and Reports**

Clients receive account statements directly from their chosen custodian on a monthly basis. Clients can also access their account positions and activity through their chosen custodian's website. ARS Wealth supplements these custodial statements with written reports provided on a quarterly basis, during client meetings, or as requested. The reports that ARS Wealth provides summarize account activity, performance and asset allocation. In addition, ARS Wealth provides clients with a secure web portal, which can be accessed by the client on demand. The ARS Wealth client portal provides clients with access to their positions, history and performance, among other information.

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

### Other Compensation

Other than the previously described products and services that ARS Wealth receives from TD Ameritrade, ARS Wealth does not receive any other economic benefits from non-clients in connection with the provision of investment advice to clients.

### Client Referrals

In addition to the referral arrangements referenced in Item 12, we may establish other arrangements whereby we compensate unaffiliated third parties for client referrals. If a client is introduced to ARS Wealth by an unaffiliated person or company, we may pay the referring party a portion of the client's total investment management fee in accordance with the requirements of applicable federal and state "solicitor" rules. For example, employees of ARS Wealth may refer clients to ARS Wealth. In these cases, ARS Wealth compensates the referring individual by paying 0.10% to 0.20% of the total fee charged by ARS Wealth to the client.

ARS Wealth's payment of a referral fee does not affect the fees paid by any advisory client.

When a prospective client is introduced to ARS Wealth by an unaffiliated referring party, the referring party, at the time of initially introducing ARS Wealth, is required to disclose the nature of the referral arrangement, and must provide the prospective client with a copy of this Disclosure Brochure together with a copy of a specific solicitor disclosure statement which explains the terms of the solicitation arrangement between ARS Wealth and the referring party, including the compensation to be received by the referring party from ARS Wealth. Affiliates and employees of ARS Wealth that refer clients and receive compensation from our firm must disclose the nature of his/her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of this Disclosure Brochure.

ARS Wealth's parent company is Focus Financial Partners, LLC ("Focus"). From time to time, Focus holds partnership meetings and other industry and best-practices conferences, which typically include ARS Wealth, other Focus firms and external attendees. These meetings are first and foremost intended to provide training or education to personnel of Focus firms, including ARS Wealth. However, the meetings do provide sponsorship opportunities for asset managers, asset custodians, vendors and other third-party service providers. Sponsorship fees allow these companies to advertise their products and services to Focus firms, including ARS Wealth. Although the participation of Focus firm personnel in these meetings is not preconditioned on the achievement of a sales target for any conference sponsor, this practice could nonetheless be deemed a conflict as the marketing and education activities conducted, and the access granted, at such meetings and conferences could cause ARS Wealth to focus on those conference sponsors in the course of its duties. Focus attempts to mitigate any such conflict by allocating the sponsorship fees only to defraying the cost of the meeting or future meetings and not as revenue for itself or any affiliate, including ARS Wealth. Conference sponsorship fees are not dependent on assets placed with any specific provider or revenue generated by such asset placement.

No entities have provided conference sponsorship to Focus in the last year.

## **Item 15 – Custody**

Custody, as it applies to investment advisers, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

ARS Wealth is deemed to have custody of client funds and securities whenever the firm is given the authority to have fees deducted directly from client accounts. There is a small number (less than 1%) of trust clients for which certain employees of ARS Wealth, in a separate capacity, serve as trustee. Serving as trustee for clients is another form of custody. There are also accounts held at qualified custodians, in the registration name of the client, where the client has provided ARS Wealth with authority to disburse client assets to an account not in the name of the client. The ability to disburse client assets to a third-party without explicit client request directly to the qualified custodian is another form of custody.

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

Specific to accounts for which certain employees of ARS Wealth, in their separate capacity, serve as trustee, the firm has engaged an independent public accounting firm, not affiliated in any way with ARS Wealth, to perform an annual surprise verification examination. The purpose of such an examination is to verify that the funds and securities held in accounts actually exist and are located at the applicable qualified custodian.

## **Item 16 – Investment Discretion**

Upon receiving written authorization from the client in our standard client agreement, ARS Wealth provides discretionary investment advisory services for client accounts. When discretionary authority is granted, ARS Wealth will have the authority to determine the type of securities and the amount of securities that can be bought or sold for the client portfolio without obtaining the client's consent for each transaction.

In very limited situations, a client may be allowed to grant trading authorization on a non-discretionary basis. In these cases, we will be required to contact you prior to implementing changes in your account. Therefore, you will be contacted and required to accept or reject our investment recommendations including:

- The security being recommended;
- The number of shares or units; and
- Whether to buy or sell.

Once the above factors are agreed upon, ARS Wealth will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis, you need to know that if ARS Wealth is not able to reach you or if you are slow to respond to ARS Wealth's request, it can have an adverse impact on the timing of trade implementations and ARS Wealth may not achieve the optimal trading price.

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

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

ARS Wealth does not vote proxy on behalf of clients. It shall be the client's ultimate responsibility to select and make all proxy voting decisions. While there are some investment advisers that will vote proxies and other corporate decisions on behalf of their clients, ARS Wealth has determined that taking on the responsibility for voting client securities does not add enough value to the services provided to clients to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in accounts managed by ARS Wealth.

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

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

ARS Wealth does not solicit fees of more than \$1,200 per client, six months or more in advance. ARS Wealth is not subject to a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Finally, ARS Wealth has not been the subject of a bankruptcy petition.