

# Clarity Wealth Advisors, LLC

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**March 4, 2021**

## **FORM ADV PART 2A BROCHURE**

This brochure provides information about the qualifications and business practices of Clarity Wealth Advisors. If you have any questions about the contents of this brochure, contact us at 408-560-3220. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

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

## **Item 2 Summary of Material Changes**

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

We have not made any material changes to this Disclosure Brochure since our last annual updating amendment dated March 30, 2020.

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## Item 4 Advisory Business

### Description of the Advisory Firm

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

Our firm has been in business since May 2011, and the principal owners of our firm are Parvin Manuchehri and Milind P. Dalal.

### Portfolio Management Services

We offer discretionary portfolio management services and in limited circumstances, we may agree to manage your account(s) on a non-discretionary basis. Our investment advice is tailored to meet our clients' needs and investment objectives. If you retain our firm for portfolio management services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information at the beginning of our advisory relationship. We will use the information we gather to develop an investment strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf in accordance with your risk profile and investing objectives.

As part of these services we may create a custom portfolio for you or we may invest your assets in one or more investment model strategies. These investment models may be proprietary or they may be managed by a third-party manager. In either case, we will monitor your portfolio's performance on an ongoing basis, and will rebalance the portfolio as required by changes in market conditions and in your financial circumstances. Where appropriate we may also assist you with you establishing an account for purposes of holding certain securities.

If you engage our firm for discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. This discretionary authority will also provide our firm with authorization to delegate discretionary management services to other unaffiliated Sub-Advisors selected by our firm based on your investment objectives and/or determined portfolio strategy. Discretionary authority is granted by the advisory agreement you sign with our firm and the appropriate trading authorization forms. In our sole discretion, we may accept instructions from you that limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account). Such requests must be presented to our firm in writing. If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

As part of our investment advisory services, we may recommend that you use the services of a third-party asset manager ("TPAM") to manage your investment portfolio (or a portion of your investment portfolio). When determining the TPAM to recommend, the client's best interest will be the main determining factor. Other factors that we take into consideration when making our recommendation(s) include, but are not limited to, the TPAM's services, performance, investment strategies, fees, and other added value that we believe will benefit our clients. In addition to our ongoing monitoring of your portfolio, we will assist you in completing the necessary paperwork and agreements required by the recommended TPAM. We will also be responsible for collecting and maintaining information on each client's financial circumstances, and communicating such information to the TPAM as may be necessary in efforts to ensure that portfolio allocations are aligned with each client's investment objectives. We will provide you the TPAM's disclosure brochure and other information as may be required. In most instances, clients will be required to sign an agreement directly with the TPAM.

We do not sponsor a wrap fee program, but the recommended TPAM may provide a wrap fee program as part of their program. Please refer to the TPAM's disclosure brochure for more information.

For information on our methods of analysis, investment strategies, and how we might manage your account(s), please see Item 8 (*Methods of Analysis, Investment Strategies and Risk of Loss* section) of this Disclosure Brochure.

### **Financial Planning and Consulting Services**

We provide financial planning and consulting services as a stand-alone service where we offer modular, consultative, broad-based, and/or ongoing financial planning services. These services generally involve a variety of advisory services regarding the management of the client's financial resources based upon an analysis of their individual needs. If you retain our firm for these services, we will meet with you to gather information about your financial circumstances and objectives. As required, we will conduct follow-up interviews for the purpose of reviewing and/or collecting additional financial data. Once such information has been reviewed and analyzed, we will provide you with our recommendations designed to help you achieve your stated financial goals and objectives.

Our recommendations are based on your financial situation at the time we provide our recommendations, and on the financial information you provide to our firm. You will always have the right to accept or reject our recommendations. All terms of the engagement, including specific services to be performed, will be evidenced in a written agreement between you and our firm.

### **Pension Consulting Services**

We offer pension consulting services to employee benefit plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. In general, these services may include an existing plan review and analysis, plan-level advice regarding fund selection and investment options, education services to plan participants, investment performance monitoring, and/or ongoing consulting. The ultimate decision to act on behalf of the plan generally remains with the plan sponsor or other named fiduciary.

We may also assist with participant enrollment meetings and provide investment-related educational seminars to plan participants on such topics as: Diversification; Asset allocation; Risk tolerance; and Time horizon. Our educational seminars may include other investment-related topics specific to the particular plan. We may also provide additional types of pension consulting services to plans on an individually negotiated basis. All services, whether discussed above or customized for the plan based upon requirements from the plan fiduciaries (which may include additional plan-level or participant-level services) shall be detailed in a written agreement and be consistent with the parameters set forth in the plan documents.

In providing services to a Plan and/or Participants, our status is that of an investment adviser registered under the Investment Advisers Act of 1940, and we are not subject to any disqualifications under Section 411 of ERISA. To the extent we perform fiduciary services, we are acting as a fiduciary of the Plan as defined in Section 3(21) under ERISA.

### **Assets Under Management**

As of January 14, 2021, we provide continuous management services for approximately \$340,407,904 in client assets on a discretionary basis. We do not currently manage client assets on a non-discretionary basis.

## Item 5 Fees and Compensation

### Portfolio Management Services

Our annualized fee for portfolio management services is typically based on a percentage of your assets we manage, and is based on the following blended- tiered fee schedule.\*\*

| <i>Assets Under Management</i> | <i>Maximum Annualized Fee</i> |
|--------------------------------|-------------------------------|
| Up to \$2,000,000              | 1.25%                         |
| \$2,000,001 - \$3,000,000      | 0.90%                         |
| \$3,000,001 - \$4,000,000      | 0.85%                         |
| \$4,000,001 - \$5,000,000      | 0.80%                         |
| Above \$5,000,000              | 0.75%                         |

\*In general, we require a minimum of \$500,000 to establish a managed account. However, in our sole discretion, we may accept accounts that do not meet our minimum account requirement.

\*\*For example, *the applicable management fee for a client with \$3,500,000 in portfolio assets would be as follows: the first \$2,000,000 would be billed at an annual rate of 1.25%; the next \$1,000,000 would be billed at an annual rate of 0.90%, and the remaining \$500,000 would be billed at an annual rate of 0.85%.*

While our portfolio management fees are generally based on the tiered fee schedule noted above, we may negotiate management fees that are based on a flat percentage of assets under management. In these instances, our maximum annual fee will not exceed the percentages and corresponding fee break points disclosed in the tiered fee schedule above.

Our annual portfolio management fee is billed and payable quarterly in advance based on the value of your account on the last business day of the previous quarter.

If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

Our fees for portfolio management services will be deducted directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account, and you should review all statements for accuracy. If you have any questions about the statement(s) you receive from the qualified custodian, please call our main office number located on the cover page of this Disclosure Brochure.

In instances where you have acted on our recommendation to engage a TPAM (third-party asset manager), the TPAM will generally charge you a percentage of assets under management fee that is separate and apart from our portfolio management fee. Clients will typically enter into an agreement directly with the TPAM, and clients should carefully review that agreement along with the TPAM's disclosure brochure for specific information regarding the terms of their engagement with the TPAM.

Our agreement for services will continue in effect until terminated by either party upon 30-days' written notice to the other party. You will incur a pro rata charge for services rendered prior to the termination of the agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

### **Financial Planning and Consulting Services**

We provide financial planning and consulting services on an hourly basis, and in some cases we may negotiate a fixed fee. Our hourly fee ranges up to \$250 and our fixed fees may range up to \$5,000, and in certain instances may exceed this limit where the services requested require more time and are complex in nature. These fees are generally due upon completion of services rendered, but we reserve the right to negotiate other fee paying arrangements, such as 50% in advance with the remaining portion due upon completion of services rendered. Where we are engaged to provide a written financial plan, we generally bill our fixed fee in advance as the financial plan and related recommendations will be delivered within six months from the inception of the engagement. For these relationships, we may offer complimentary, ongoing consulting services for a period no later than twelve months from the date of contract.

In our sole discretion, we may negotiate our fee and fee-paying arrangements depending on the client's individual circumstances. All terms of our engagement, including the fee and how the fee is payable, will be evidenced in the written agreement that you sign with our firm.

In our sole discretion, we may offset our financial planning and consulting fees to the extent you implement our recommendations through our portfolio management services within 90 days from the inception of the financial planning and consulting engagement.

Our fee is payable as invoiced, or you may authorize us to deduct our fee from a managed account at a qualified custodian for which we provide portfolio management services. You may terminate the engagement by providing our firm with written notice. You will incur a pro rata charge for services rendered prior to the termination of the agreement. If advanced fee paying arrangements are negotiated and we have received pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

### **Pension Consulting Services**

Our advisory fee for pension consulting services is based on our portfolio management fee schedule noted above (see tiered fee scheduled under Item 5 - Portfolio Management Services). This fee may be negotiated with the plan sponsor or named fiduciary on a case-by-case basis. Our fee is typically billed quarterly in advance based on the value of plan assets on the last day of the previous quarter, but we may negotiate other fee paying arrangements depending on the individual needs of the plan.

Either party to the pension consulting engagement may terminate the agreement upon 30-days' written notice to the other party. The pension consulting fees will be prorated for the quarter in which the termination notice is given and, if applicable, any unearned fees will be refunded to the client.



The services we provide and the compensation we receive for such services are described in this Disclosure Brochure, and in the service agreement that you sign with our firm. We do not reasonably expect to receive any other compensation, direct or indirect, for the services we provide to the Plan or Participants unless we are retained under a separate engagement. If we receive any other compensation for such services, we will (i) offset the compensation against our stated fees, and (ii) we will promptly disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation to you.

### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange-traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange-traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You generally will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange-traded funds, our firm, and others. For information on our brokerage practices, please refer to Item 12 (*Brokerage Practices* section) of this Disclosure Brochure.

### **Compensation for the Sale of Securities or Other Investment Products**

Investment Adviser Representatives ("IARs") of our firm may also be registered representatives with Purshe Kaplan Sterling Investments ("PKS"), a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In this capacity as registered representatives, these IARs will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. IARs of our firm may also be licensed as independent insurance agents, and they will earn commission-based compensation for selling insurance products.

Compensation earned by these IARs in their separate capacities as registered representatives and/or licensed insurance agents is separate and in addition to our advisory fees. These practices present a conflict of interest because IARs of our firm who are registered representatives and/or licensed insurance agents have a financial incentive to effect securities transactions on your behalf and/or sell insurance products to you. Clients are under no obligation, contractually or otherwise, to purchase securities and/or insurance products through any person affiliated with our firm. As a fiduciary, it is our firm's obligation to act in our client's best interest.

Any material conflicts of interest between you and our firm, or our employees are disclosed in this Disclosure Brochure. If at any time additional material conflicts of interest develop, we will provide you with written notification of the material conflicts of interest or an updated Disclosure Brochure.

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

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. 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. Our fees are calculated as described in the *Fees and Compensation* section (Item 5 of this Disclosure Brochure) above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.



## Item 7 Types of Clients

We typically offer investment advisory services to individuals (including high-net worth individuals), pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

Generally, we require a minimum account size of \$500,000 to open and maintain an advisory account with our firm, but we may waive or lower this minimum requirement in our sole discretion. Additionally, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

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

### Our Methods of Analysis and Investment Strategies

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

Technical Analysis - involves studying past price patterns, trends and interrelationships in the financial markets to assess risk-adjusted performance and predict the direction of both the overall market and specific securities.

*Risk:* The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Fundamental Analysis - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

*Risk:* The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Long-Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

*Risk:* Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

Short-Term Purchases - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

*Risk:* Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

### **Other Risk Considerations**

When evaluating risk, financial loss may be viewed differently by each client and may depend on many different risks, each of which may affect the probability and magnitude of any potential losses. The following risks may not be all-inclusive, but should be considered carefully by a prospective client before retaining our services.

Liquidity Risk: The risk of being unable to sell your investment at a fair price at a given time due to high volatility or lack of active liquid markets. You may receive a lower price or it may not be possible to sell the investment at all.

Credit Risk: Credit risk typically applies to debt investments such as corporate, municipal, and sovereign fixed income or bonds. A bond issuing entity can experience a credit event that could impair or erase the value of an issuer's securities held by a client.

Inflation and Interest Rate Risk: Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of a client's future interest payments and principal. Inflation also generally leads to higher interest rates which may cause the value of many types of fixed income investments to decline.

Horizon and Longevity Risk: The risk that your investment horizon is shortened because of an unforeseen event, for example, the loss of your job. This may force you to sell investments that you were expecting to hold for the long term. If you must sell at a time that the markets are down, you may lose money. Longevity Risk is the risk of outliving your savings. This risk is particularly relevant for people who are retired, or are nearing retirement.

### **Recommendation of Particular Types of Securities**

We primarily offer advice on equity securities, mutual fund shares (open-end and closed-end), bonds, and exchange-traded funds. We may also recommend other types of securities since each client may have different needs and/or risk tolerances. Each type of security has its own unique set of risks

associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

Equity Securities (Stocks): There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, better established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") are but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

Mutual Funds and ETFs: Mutual funds and exchange-traded funds ("ETFs") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. Exchange-traded funds differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

Bonds: Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.

While our managed portfolios typically consist of equity securities, mutual funds, and ETFs, we may also recommend alternative investments, such as private placements, limited partnerships, limited liability companies, alternative investments or private funds, to certain "qualified" clients. Alternative investments should be considered to contain an above average amount of risk and the loss of principal is high. These types of investments are generally recommended only as long-term investments as they may be considered illiquid in nature, and clients should be prepared for any investment in these funds to be inaccessible for a prolonged period. To the extent applicable, clients will be provided the required legal investment documentation and must sign documents outside the scope of our firm's investment advisory agreement. These documents may include, but are not limited to: Private Placement Memorandum; Subscription Agreement; Operating Agreement; and/or, Limited Partnership Agreement.

## Item 9 Disciplinary Information

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

## Item 10 Other Financial Industry Activities and Affiliations

### Broker-Dealer Registered Representative -- Licensed Insurance Agency / Agents

We do not have any financial industry activities, affiliations or relationships that are material to our advisory business or to our advisory clients except as listed below.

Investment Adviser Representatives ("IARs") of our firm may also be registered representatives with Purshe Kaplan Sterling Investments ("PKS"), a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In this capacity as registered representatives, these IARs will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products.

In addition to being registered as an investment adviser, our firm is also licensed as an insurance agency with the State of California and does business under Clarity Insurance Solutions, LLC, a fictitious business name registered with the State of California. IARs of our firm may also be licensed as independent insurance agents, and they will earn commission-based compensation for selling insurance products.

Please refer to the *Fees and Compensation* section (Item 5 of this Disclosure Brochure) above for additional disclosures on these outside capacities.

Any material conflicts of interest between you and our firm, or our employees are disclosed in this Disclosure Brochure. If at any time, additional material conflicts of interest develop, we will provide you with written notification of the material conflicts of interest or an updated Disclosure Brochure.

### Recommendation of Other Advisers

We may recommend that you use a third-party asset manager ("TPAM") based on your needs and suitability. In these instances you will sign an agreement directly with our firm, and a separate agreement directly with the TPAM. Our fees are separate and apart from any fees imposed by the TPAM, but the TPAM may debit the combined fee (our fee in addition to the TPAM's fee) and distribute our portion of the fee to us.

Clients are not obligated, contractually or otherwise, to use the services of any TPAM we recommend. Please refer to the *Advisory Business* section above for additional disclosures on this topic.

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

### Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required

to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

### **Participation or Interest in Client Transactions**

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we may have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. In efforts to mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities. As a fiduciary, it is our firm's obligation to act in our client's best interest.

## **Item 12 Brokerage Practices**

### **Brokerage Practices**

For clients engaging our firm for portfolio management services, clients must open one or more custodian accounts in their own name at an independent custodian. While you are free to choose any broker-dealer/custodian or other service provider, we typically require that you establish an account with a brokerage firm with which we have an existing relationship. In recommending a broker-dealer/custodian we will endeavor to select those brokers or dealers that will provide quality services at reasonable fees. The reasonableness of such fees is based on several factors, including the broker's ability to provide professional services, competitive commission rates, volume discounts, execution price negotiations, the custodian's reputation, execution capabilities, and responsiveness to our clients.

Clarity Wealth Advisors, LLC maintains brokerage/custodial relationships with Fidelity Brokerage Services LLC ("Fidelity") and/or Charles Schwab & Co., Inc. ("Schwab"), among others. These firms were chosen based on their relatively low transaction fees and access to mutual funds and ETFs. Clarity Wealth Advisors, LLC will never charge a premium or commission on transactions, beyond the actual cost imposed by the acting Custodian.

We generally do not allow clients to instruct our firm to use one or more particular brokers for the transactions in their accounts. If you choose to direct our firm to use a particular broker, and we accept such appointment, you should understand that this might prevent our firm from aggregating trades with other client accounts and/or otherwise prevent our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your selected broker-dealer/custodian are adequately favorable in comparison to those that we would otherwise obtain for you.

### **Research and Other Soft Dollar Benefits**

As a registered investment adviser, we may have access to research products and services from your account custodian and/or other brokerage firm. These products may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all

investment advisers that utilize the service platforms of these firms and considered a benefit to our firm, but are *not* considered to have been paid with soft dollars. To the extent our firm receives any research products and/or services from your acting custodian/broker-dealer, a conflict of interest arises in that such research and/or services might not directly benefit client accounts. In effort to mitigate this conflict of interest it is our firm's policy to use such research or services to assist in making investment decisions on behalf of client accounts or to assist with our overall responsibility for servicing client accounts, respectively. Clients should also be aware that the commissions charged by a particular broker-dealer for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge. As a registered investment adviser our firm and representatives of our firm have a fiduciary duty to act in our client's best interest.

### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### **Trade Errors**

In the event a trading error occurs in your account that we are responsible for, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

### **Block Trades**

We may combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not receive preferential treatment. Our firm's *strict* policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities or investment products.

Where we block trade accounts, we do so only for discretionary accounts. We do not combine orders for non-discretionary accounts. Accordingly, non-discretionary accounts may pay different costs than discretionary accounts pay. If you enter into non-discretionary arrangements with our firm, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than clients who enter into discretionary arrangements with our firm.

## **Item 13 Review of Accounts**

### **Portfolio Management**

Parvin Manuchehri and/or Milind Dalal, Investment Adviser Representative of our firm will monitor your accounts on an ongoing basis and will conduct account reviews at least quarterly in efforts to ensure the advisory services provided to you are consistent with your investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to: contributions and withdrawals; year-end tax planning; market moving events; security specific events; and/or, changes in your risk/return objectives.

Clients will receive trade confirmations and at least quarterly statements from their account custodian.



## **Financial Planning and Consulting Services**

For those clients whom we provide personal financial planning and consulting services, reviews are conducted on an as-needed basis. If you engage us for these services, Parvin Manuchehri and/or Milind Dalal will review your financial plan or current circumstances as needed, depending on the arrangements made with you at the inception of your advisory relationship. Generally, we will contact existing clients periodically to determine whether any updates may be needed based on changes in your circumstances. Changed circumstances may include, but are not limited to: marriage, divorce, birth, death, inheritance, lawsuit, retirement, job loss and/or disability, among others. While we recommend meeting with you at least annually, additional reviews will be conducted upon your request. Such reviews and updates will generally be subject to a new and separate engagement. To the extent we provide any written reports, such reports and/or financial plans will be rendered as part of the negotiated services.

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

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

Please refer to Item 10 of this Brochure for more information on outside business activities involving our firm's Investment Advisor Representatives where such persons might receive additional compensation beyond our advisory fees.

## **Item 15 Custody**

### *Fee Deduction*

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities as your funds and securities will be held with a bank, broker-dealer, or other qualified custodian. You will receive account statements from the qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy, and contact us immediately if you have any questions.

## **Item 16 Investment Discretion**

If you engage our firm for discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. This discretionary authority will also provide our firm with authorization to delegate discretionary management services to other unaffiliated Sub-Advisors selected by our firm based on your investment objectives and portfolio strategy. Discretionary authority is granted by the advisory agreement you sign with our firm and the appropriate trading authorization forms. In our sole discretion, we may accept instructions from you that limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account). Such requests must be presented to our firm in writing.



If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

## **Item 17 Voting Client Securities**

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

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

## **Item 18 Financial Information**

The following are disclosures required by the Form ADV Instructions:

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$1,200 in fees for services not performed within six months. Therefore, we are not required to include a financial statement with this Disclosure Brochure. We have not filed a bankruptcy petition at any time in the past ten years.

## **Item 19 Requirements for State-Registered Advisers**

We are a federally registered investment adviser; therefore, we are not required to respond to this item.

## **Item 20 Additional Information**

### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any non-public personal information about you to any non-affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys. We restrict internal access to non-public personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your non-public personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Contact our main office at the telephone number on the cover page of this Disclosure Brochure if you have any questions regarding this policy. If you decide to close your account(s) we will adhere to our privacy policies, which may be amended from time to time.

If we make any substantive changes in our privacy policy that would further permit or require disclosures of your private information, we will provide written notice to you. Where the change is based on permitted disclosures, you will be given an opportunity to direct us as to whether such disclosure is acceptable. Where the change is based on required disclosures, you will only receive written notice of the change. You may not opt out of the required disclosures. If you have questions about our privacy policies contact our main office at the telephone number on the cover page of this Disclosure Brochure and ask to speak to the Chief Compliance Officer.

### **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

### **IRA Rollover Considerations**

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
  1. Employer retirement plans generally have a more limited investment menu than IRAs.
  2. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.

2. Your current plan may have lower fees than our fees.
  1. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
  2. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
  1. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this Disclosure Brochure.