



**ATON Financial LLC**  
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This brochure provides information about the qualifications and business practices of ATON Financial LLC. If you have any questions about the contents of this brochure, please contact us at 787-459-1780. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration as a registered investment advisor does not imply a certain level of skill or training.

Additional information about ATON Financial LLC also is available on the SEC's website at <http://www.adviserinfo.sec.gov>.



## **Item 2 Material Changes**

May 12, 2021 - We have added digital assets as an asset class that may be included in portfolios for certain clients as appropriate and suitable. Please review Item 8 - Risks Associated with Cryptocurrencies, Tokens, and Other Digital Assets Generally for additional details.

July 12, 2021 – Item 6 has been updated to reflect performance fees charged to private fund clients.

The material changes discussed above are only those changes that have been made to this brochure since the firm's last annual update of the brochure. The date of the last annual update of the brochure was March 15, 2021.



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#### **Item 4 Advisory Business**

ATON Financial LLC is a registered investment advisor firm registered with the U. S. Securities and Exchange Commission (“SEC”) since April 2018. Prior to that, the firm was registered with the Puerto Rico securities regulators since February 2015.

The principal owners of ATON Financial LLC are Marko Rendic, CFA, Managing Member and Dionisio Trigo, Investor.

##### Advisory Services

ATON Financial LLC’s (“ATON” or “Advisor”) principal service is providing fee-based investment advisory services and financial planning services. The Advisor practices custom management of portfolios, on a discretionary basis, according to the client’s objectives. The Advisor’s primary approach is to use a tactical allocation strategy aimed at reducing risk and increasing performance. The Advisor may use any of the following: exchange listed securities, over-the-counter securities, foreign securities, corporate debt securities, commercial paper, CDs, variable annuities, municipal securities, mutual funds, United States government securities, and digital assets to accomplish this objective. The Advisor measures and selects mutual funds by using various criteria, such as the fund manager’s tenure, and/or overall career performance. The Advisor may recommend, on occasion, redistributing investment allocations to diversify the portfolio in an effort to reduce risk and increase performance. The Advisor may recommend specific stocks to increase sector weighting and/or dividend potential. The Advisor may recommend employing cash positions as a possible hedge against market movement which may adversely affect the portfolio. The Advisor may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position(s) in the portfolio, change in risk tolerance of client, or any risk deemed unacceptable for the client’s risk tolerance.

##### Selection of Other Money Managers

ATON may recommend and refer clients to unaffiliated money managers or investment advisors through Managed Account programs sponsored by a third-party provider. In these arrangements, the client will then enter into a program and investment advisory agreement with the program sponsor and third-party money managers. ATON will assist and advise the client in establishing investment objectives for the third-party money managers and continue to provide oversight of the client account and ongoing monitoring of the activities of the third-party money managers. The third-party money managers will develop an investment strategy to meet those objectives by identifying appropriate investments and monitoring such investments. In consideration for such services, the program sponsor will charge a program fee that includes the investment advisory fee of the third-party money managers, the administration of the program and trading, clearance and settlement costs. The program sponsor will add ATON's investment advisory fee (described below in Item 5) and will deduct the overall fee from the client account quarterly in arrears based on the fair market value at the end of the preceding quarter. The asset-based program fee will depend on factors such as the size of the account, the asset class of the underlying securities and the third-party money managers selected.



ATON will ensure that all third-party money managers recommended to clients will be either an investment advisor registered with the Puerto Rico Securities Commission, the Securities and Exchange Commission, or exempt from such registrations. The client, prior to entering into an agreement with a third-party money manager selected by ATON, will be provided with that manager's Brochure. In addition, ATON and its client will agree in writing that the client's account will be managed by that selected third party money manager on a discretionary basis.

#### Financial Planning

In addition to investment supervisory services, ATON may provide Financial Planning Services to some of its clients. The Advisor's Financial Planning services may include recommendations for portfolio customization based on their client's investment objectives, goals and financial situation. Financial Planning Services may also include recommendations relating to investment strategies as well as tailored investment advice, and estate planning services.

#### Qualified Retirement Plan Consulting Services

ATON will evaluate the Plan and its operation including its: Trustee, custodial and recordkeeping arrangement; design; fiduciary compliance program; costs and fees associated with investments and service providers; required and elective contributions; employee communication and education program, and; investment selection and monitoring process, including its investment policy statement, hereinafter referred to as the "IPS". With regard to the IPS, the Advisor will assist the Plan Sponsor in adopting a suitable IPS, amending it from time to time, and will provide information and recommendations, consistent with the IPS, to aid the Plan Sponsor in selecting and monitoring investments offered to Participants in the Plan. Information and recommendations will be based on data as of the end of each calendar quarter. Within a reasonable period of time following each calendar quarter, the Advisor will provide the Plan Sponsor with a written report detailing, at a minimum, all costs and fees associated with investments and operation of the Plan, and information and recommendations, consistent with the IPS, for the Plan Sponsor's selection, removal and replacement of investments offered to Participants in the Plan. The Advisor's asset management fee (described below in Item 5) will be calculated based on assets in the Plan at the end of the quarter, added to the Plan Administrator's fee, and charged to the Plan by the Plan Administrator in accordance with the agreement between the Plan Sponsor and the Administrator. The Administrator will remit the Advisor's portion of the fee to the Advisor.

The Advisor's roles and actions in fulfilling all responsibilities pertaining to this Agreement shall not include those of the Plan's Trustee, and will be performed solely at the direction of the Plan Sponsor, its authorized officers, employees and/or agents. At no time will the Advisor accept, maintain possession of, or have custodial responsibility for, the Plan's assets. The Advisor will not conduct or effect the purchase or sale of any assets of the Plan on behalf of the Plan Sponsor or Plan Participants. The Advisor will not advise, in any manner, any Participant, person or entity related to the Plan other than the Plan Sponsor. Communicational and educational activities in which the Advisor engages related to Participants in the Plan shall be solely at the direction of the Plan Sponsor, and shall not be represented by the Advisor or Plan Sponsor as investment, tax or legal advice. The Advisor is not licensed to provide, shall not provide, nor be construed to provide, the services of an attorney or accountant.



ATON will tailor its advisory services to its client's individual needs based on meetings and conversations with the client. If clients wish to impose certain restrictions on investing in certain securities or types of securities, the Advisor will address those restrictions with the client to have a clear understanding of the client's requirements.

ATON does not provide portfolio management services to wrap fee programs.

As of December 31, 2020, ATON had the following client assets under management:

Discretionary	\$198,311,000
Non-discretionary	<u>70,119,000</u>
Total	\$268,430,000

## Item 5 Fees and Compensation

### Asset Management Fees

Pursuant to an investment advisory contract signed by each client, the client will pay ATON an annual management fee, payable quarterly in arrears, based on the value of portfolio assets of the account on the last business day of the preceding quarter. The fee is adjusted for any deposits or withdrawals during the quarter. For example, the fee on assets withdrawn will be calculated from the beginning of the quarter to the date of the withdrawal and added to the fee calculated on the quarter-end assets, and the fee for deposits will be calculated from the beginning of the quarter to the deposit date and deducted from the fee calculated on quarter-end assets. New account fees will be prorated from the inception of the account to the end of the first month.

Assets Under Management	Annual Fee
Up to \$100,000	1.50%
\$100,001 to \$250,000	1.40%
\$250,001 to \$500,000	1.30%
\$500,001 to \$1,000,000	1.15%
\$1,000,001 to \$3,000,000	1.00%
Over \$3,000,000	0.75%

The annual fee for any digital assets component of the portfolio is 1.25% and is not negotiable. The client will incur additional trading, custody, and technology costs. Digital assets managed by ATON will not count towards fee breakpoints noted above.

ATON's minimum fee is \$1,500 per year. However, ATON's fee will never exceed 2.00% of the assets being managed for the client.

These fees may be negotiated at the Advisor's discretion except for the digital asset component of the portfolio. When possible, the asset management fees will be directly deducted from the client account on a quarterly basis by the qualified custodian. The client will give written authorization permitting the Advisor to be paid directly from their account held by the custodian. The custodian will send a quarterly statement to the client showing all transactions in the account, including the asset management fee amount withdrawn from the client account. For accounts where direct fee



deduction is not possible, Client will be sent an invoice on a quarterly basis for any outstanding advisory fees due.

### Fixed Fees

Some investment advisory clients may choose to pay for investment consulting services or financial planning services on an annual retainer of up to \$15,000 per year. Such fixed fee arrangements are negotiable at the discretion of the Advisor, and will be billed to clients either quarterly in arrears or quarterly in advance.

For financial planning clients, ATON may charge a fixed fee of \$500 per month for ongoing financial planning services as contracted for with client in advance. Fixed fees may be negotiated in advance based at the discretion of the Advisor. Fixed fee-based financial planning clients are billed on a monthly basis upon completion of work performed.

Alternatively, clients may choose to have ATON provide comprehensive financial planning for a one-time fixed fee of \$5,000, which will be negotiated at the Advisor's discretion and agreed with the client in writing. The services included in the financial planning include:

- IPS development
- Recommendation of an asset allocation and portfolio construction based on the IPS and capital market expectations
- Analysis of client's current portfolio including
  - Allocation
  - Holdings
  - Fees
- Comparison of current portfolio vs. proposed
- Provide recommendations for implementation considering factors such as
  - Fees
  - Active vs. passive investment vehicle analysis to achieve investment objectives

Clients choosing the one-time fee option for comprehensive financial planning will be charged the fee in advance or in arrears as negotiated with the client. If the fee is charged in advance, the work will be completed and delivered to the client in less than six months from the date of the agreement. If the agreement is terminated prior to completion of the comprehensive financial plan and the fee was paid in advance, the fee paid in advance will be prorated to the date of termination and any excess will be refunded to client. If the fee was agreed to be paid in arrears, Advisor will calculate the fees due when the agreement is terminated and invoice the client. Payment is due within five days of the delivery of the invoice.

### Hourly Fees

Some clients will contract to have investment advisory or financial planning advice provided based on an hourly fee rather than based on a percentage of assets under management. The Advisors hourly fee will be billed at a rate of \$250 per hour. The Advisors hourly fees will be negotiated and agreed upon by the parties in advance. Hourly fee-based clients are billed on a monthly basis upon completion of work performed.



#### Other

For each of the Advisor's services described above, the Client may terminate these services within five business days of the effective date of an Agreement signed with the Advisor without any payment of the Advisor's fee.

All fees paid to ATON for investment advisory services are separate and distinct from the expenses charged by mutual funds to their shareholders and the product sponsor in the case of variable insurance products. These fees and expenses are described in each fund's or variable product's prospectus. These fees will generally include a management fee and other fund expenses.

At no time will ATON accept or maintain custody of a client's funds or securities except for authorized fee deduction. Client is responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer. The Advisors fee is separate and distinct from the custodian and execution fees.

Certain of ATON's fees may be payable in advance. Upon termination, any fees paid in advance will be prorated to the date of termination and any unearned fees will be refunded to client.

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

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

Qualified clients, as defined by Rule 205-3 of the Investment Adviser's Act, may enter into advisory agreements where ATON is entitled to a performance fee as part or all of its compensation. Qualified clients must meet one or more of the following requirements:

- i. Client is a natural person who, or a company that, immediately after entering into the contract has at least \$1,000,000 under the management of the Advisor;
- ii. Client is a natural person who, or a company that, immediately prior to entering into the contract, has a net worth (together, in the case of a natural person, with assets held jointly with a spouse) of more than \$2,100,000 at the time the contract is entered into (excluding the equity in the Clients' primary residence) reduced by any indebtedness that is secured by the Client's primary residence in excess of the estimate fair market value of the residence;
- iii. Client is a qualified purchaser as defined in section 2(a)(51)(A) of the Investment Company Act of 1940 at the time the contract is entered into.

Suitability will be determined through due diligence inquiries determined to be appropriate in the circumstances by ATON. ATON, at its sole discretion, may reject any client application where the above financial standards are not met and/or where it reasonably believes the investor lacks the necessary financial sophistication, who purport to not fully understand ATON's method of compensation and the nature of its risks, or who are otherwise deemed to be unsuitable for such an arrangement.





The firm may receive a Performance Fee in addition to the Management Fee from private fund clients. The Performance Fee will be 10% of any capital gain earned by a private fund client in the event of a sale and/or distribution on the investment securities held in the private fund. The Performance Fee will be determined on such sale or distribution and payable to ATON immediately thereafter.

There is an inherent conflict of interest when a firm charges performance-based fees to some accounts and management fees based on a percentage of assets under management to other accounts, in that an advisor is incented to favor the accounts from which it will earn higher compensation. To mitigate this conflict, the firm provides its advisory services to all client accounts, including those clients who are not charged a performance fee. These services include evaluation of investor suitability and adhering to the investor risk profile when making investment decisions, client communications and account reviews that are the same for all clients, and availability by the firm and supervised persons to meet with clients as necessary. In addition, the firm maintains trading policies and a Code of Ethics that are intended to deliver consistency, that no one client is favored over another.

Another conflict of interest concerning accounts with performance-based fees is that the advisor is incented to use higher risk investments than called for by the client risk profile. Such investments may generate higher returns, which in turn would generate higher performance-based fees for the advisor. ATON has a fiduciary obligation to its clients to put the interest of their clients first over and above the interest of the firm and its supervised persons. In addition, ATON attempts to further mitigate this conflict by maintaining suitability and employing trading policies and procedures designed to assist the advisor in further meeting its fiduciary obligations to adhere to the client's agreed upon risk profile.

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

The Advisor will offer its services to individuals, trusts, estates, charitable organizations, retirement plans, private funds, corporations and other business entities.

The Advisor does not have any minimum requirements for opening or maintaining an account.

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

The Advisor utilizes fundamental analysis techniques in formulating investment advice or managing assets for clients.

Fundamental analysis of businesses involves analyzing its financial statements and health, its management and competitive advantages and its competitors and markets. Fundamental analysis is performed on historical and present data but with the goal of making financial forecasts. There are several possible objectives; to conduct a company stock valuation and predict its probable price evolution; to make a projection on its business performance; to evaluate its management and make internal business decisions and to calculate its credit risk.



The investment strategies the Advisor will implement may include long-term purchases of securities held at least for one year, short-term purchases for securities sold within a year, trading of securities sold within 30 days, short sales, margin transactions, and option writing, including covered options, uncovered options or spreading strategies.

The methods of analysis and investment strategies followed by the Advisor are utilized across all of the Advisors clients, as applicable. One method of analysis or investment strategy is not more significant than the other as the Advisor is considering the client's portfolio, risk tolerance, time horizon and individual goals. However, the client should be aware that with any trading that occurs in the client account, the client will incur transaction and administrative costs.

Investing includes the risk that the value of an investment can be negatively affected by factors specifically related to the investment (e.g., capability of management, competition, new inventions by other companies, lawsuits against the company, labor issues, patent expiration, etc.), or to factors related to investing and the markets in general (e.g., the economy, wars, civil unrest or terrorism around the world, concern about oil prices or unemployment, etc.). Clients need to be aware that investing in securities involves risk of loss of some or all of their investment that clients need to be prepared to bear.

Risks of fundamental analysis may include risks that market actions, natural disasters, government actions, world political events or other events not directly related to the price or valuation of a specific company's fundamental analysis can adversely impact the stock price of a company causing a portfolio containing that security to lose value. Risks may also include that the historical data and projections on which the fundamental analysis is performed may not continue to be relevant to the operations of a company going forward, or that management changes or the business direction of management of the company may not permit the company to continue to produce metrics that are consistent with the prior company data utilized in the fundamental analysis, which may negatively affect the Advisor's estimate of the valuation of the company.

### **Digital Asset Risk**

Risks Associated with Cryptocurrencies, Tokens, and Other Digital Assets As appropriate and suitable, we may recommend cryptocurrencies, tokens, or other digital assets ("Tokens"). As a new technological development, investing in digital assets is subject to different risks in addition to those traditionally associated with the trading of securities. These Tokens are highly speculative and can lose some, or all, of their value, and are not covered by FDIC or SIPC insurance.

Protocol and Governance Risk. Tokens are a relatively recent technological innovation. Bitcoin is widely considered to be the first popular Token and was invented in 2009. Other Tokens in which we may invest were created after Bitcoin. There can be no assurance that the Token industry will continue in its current form. Tokens are generally created and supported by an underlying blockchain or protocol, such as the Bitcoin Protocol or the Ethereum Protocol. Any malfunction, malicious attack, break-down or abandonment of the network may have an adverse effect on the Token's protocol or network which could lead to loss of value of the Token. Moreover, advances in cryptography, or technical advances such as the development of quantum computing, could present risks to the Tokens by rendering ineffective the cryptographic consensus mechanism that underpins a Token's protocol. There can be no assurance that changes or developments in Token



protocols will not adversely impact your Account. The protocols on which Tokens are based are generally open source (permission-less) software. Any user can download the software, modify it and then propose that users and miners of a specific Token adopt the modification. When a modification is introduced and a substantial majority of users and miners consent to the modification, the change is implemented, and the Token's protocol and network remains uninterrupted. However, if less than a substantial majority of users and miners consent to the proposed modification, and the modification is not compatible with the software prior to its modification, the consequence would be what is known as a "fork" (i.e., "split") of the Token's network (and the Blockchain), with one prong running the pre-modified software and the other running the modified software. The effect of such a fork would be the existence of two versions of the Token's network running in parallel, but with each version's Token lacking interchangeability.

Custodial and Exchange Risk The trading of Tokens is fragmented across several different exchanges. These exchanges are targets for distributed denial of services attacks (referred to as "DDoS Attacks") and other hacking attempts. Certain Token exchanges have experienced trading disruptions due to fraud, failure, security breaches and DDoS Attacks. There can be no assurance that your Account Tokens will not be adversely affected by an attack on a Token exchange. Client accounts will hold Tokens in one or more digital "wallet" that ATON, in its sole discretion, deems appropriate for any such Token. These wallets or accounts will be held at a qualified custodian. Storage of a Token in the digital wallet generally represents the public address associated with the underlying Blockchain, which is known as the "public key." To transfer a Token to or from the digital wallet, the controller of the wallet must also have the unique, private numerical code, often referred to as the "private key." To the extent a private key in respect of any Token is lost, destroyed, accessed by a third party, or otherwise compromised and no backup of the private key is accessible, the Account or its custodian will be unable to transfer the Token held in the public wallet address associated with that private key. Consequently, such Tokens will effectively be lost, which could adversely affect the value of your portfolio. The custodian may periodically store Tokens in "hot wallets" which are connected to the internet to facilitate transactions in Tokens. Tokens stored in "hot wallets" may be more susceptible to theft or compromise than Tokens stored in other digital wallets.

Regulatory Uncertainty Regulation of Tokens and Token trading continues to evolve in the United States and foreign jurisdictions. Regulatory actions could negatively impact Tokens in various ways, including, for purposes of illustration only, through a determination that one or more Tokens are regulated financial instruments or securities that require registration or licensing. Regulators, including state, federal, or foreign regulators, as well as state and federal agencies, may also determine that trading or transacting in Tokens is an activity requiring licensing or is otherwise subject to regulation under existing law. State and federal regulators may also assert that a Token or Token trading is being conducted unlawfully under interpretations of existing law and may take action at any time to freeze or stop Tokens from being released or traded, and regulators may assert criminal or civil claims against Token companies or Token trading participants, without notice. The basis for regulatory claims can include anti-money laundering or anti-terrorist financing regimes. There can be no assurance that Tokens in which we invest will not be adversely affected by increases in regulatory activity concerning Tokens or Token exchanges or trading platforms.



Unanticipated Risks Cryptographic tokens and digital assets are new and still largely untested. In addition to the risks outlined in this Brochure, there are other risks associated with the purchase of Tokens that ATON is unable to anticipate. Such risks may further materialize as unanticipated variations or combinations of the risks discussed in this Brochure.

The Advisor does not primarily recommend a particular type of security. However, clients are advised that many unexpected broad environmental factors can negatively impact the value of portfolio securities causing the loss of some or all of the investment, including changes in interest rates, political events, natural disasters, and acts of war or terrorism. Further, factors relevant to specific securities may have negative effects on their value, such as competition or government regulation. Also, the factors for which the company was selected for inclusion in a client portfolio may change, for example, due to changes in management, new product introductions, or lawsuits.

### **Item 9 Disciplinary Information**

Except for a pending arbitration between a former client of Mr. Rendic, Managing Member, and his prior broker-dealer firm (Mr. Rendic is not a named respondent to the arbitration), neither ATON nor its management persons have had any legal or disciplinary events, currently or in the past. Details of the arbitration are disclosed in ATON's Form ADV Part 1.

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

Neither ATON nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither ATON nor any of its management persons are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

ATON does not currently have any relationships or arrangements that are material to its advisory business or clients with either a broker-dealer, municipal securities dealer, or government securities dealer or broker, investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund" and offshore fund), other investment advisor or financial planner, futures commission merchant, commodity pool operator, or commodity trading advisor, banking or thrift institution, accountant or accounting firm, lawyer or law firm, pension consultant, real estate broker or dealer or sponsor of syndicator of limited partnerships.

ATON and its Investment Advisor Representatives are also licensed and registered as insurance agents to sell life, accident and other lines of insurance for various insurance companies. Therefore, they will be able to purchase insurance products for any client in need of such services and will receive separate, yet typical compensation in the form of commissions for the purchase of insurance products. This creates a conflict of interest because of the receipt of additional compensation by the Investment Advisor Representatives. Clients are not obligated to use ATON or its Investment Advisor Representatives for insurance products services. However, in such



instances, there is no advisory fee associated with these insurance products and the client will be made aware of the commissions that are being earned.

ATON may recommend or select other investment advisors for clients. For more specific detail see the response to Item 4 above.

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

ATON is registered with the SEC and maintains a Code of Ethics pursuant to SEC rule 204A-1. ATON has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the adviser. In addition, the Code of Ethics governs personal trading by each employee of ATON deemed to be an Access Person and is intended to ensure that securities transactions effected by Access Persons of ATON are conducted in a manner that avoids any conflict of interest between such persons and clients of the adviser or its affiliates. ATON collects and maintains records of securities holdings and securities transactions effected by Access Persons. These records are reviewed to identify and resolve conflicts of interest. ATON will provide a copy of the Code of Ethics to any client or prospective client upon request.

ATON and/or its investment advisory representatives may from time to time purchase or sell products that they may recommend to clients. ATON and/or its investment advisory representatives have a fiduciary duty to put the interests of their clients ahead of their own.

ATON requires that its investment advisory representatives follow its basic policies and ethical standards as set forth in its Code of Ethics.

### **Item 12 Brokerage Practices**

If requested by the client, ATON may suggest brokers or dealers to be used based on execution and custodial services offered, cost, quality of service and industry reputation. ATON will consider factors such as commission price, speed and quality of execution, client management tools, and convenience of access for both the Advisor and client in making its suggestion.

ATON may receive proprietary research services or other products as a result of recommending a particular broker which may result in the client paying higher commissions than those obtainable through other brokers. If ATON does receive such products or services, it will follow procedures which ensure compliance with Section 28(e) of the Securities Exchange Act of 1934 or applicable state securities rules.

The firm seeks to obtain the most favorable net results for clients' price, execution quality, services and commissions. Although the firm seeks competitive commission rates, it may pay commissions on behalf of clients which may be higher than those available from other brokers in order to receive other services. The firm may enter into such transactions so long as it determines in good faith that the amount of commission paid was reasonable in relation to the value of the brokerage and research services provided by the broker. The services that may be considered in this determination of reasonableness may include (1) advice, either directly or through publications or



writing, as to the value of securities, the advisability of investing in, purchasing or selling securities, and the availability of securities or purchasers or sellers of securities; (2) analysis and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy, and the performance of accounts; or (3) effecting securities transactions and performing functions incidental thereto. Such research furnished by broker-dealers may be used to service any or all of ATON's clients and may be used in connection with accounts other than those that pay commissions to the broker-dealers providing the research. In particular, third-party research provided by broker-dealers may be used to benefit all of the firm's clients. This creates a conflict of interest in that the firm has an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than on the clients' interest in receiving most favorable execution.

Benefits received may be used as soft dollars provided that:

- The service is primarily for the benefit of ATON's clients
- The commission rates are competitive with rates charged by comparable broker-dealers; and
- ATON does not guarantee a minimum amount of commissions to any broker-dealer.

ATON does not receive client referrals from any broker-dealer or third party as a result of the firm selecting or recommending that broker-dealer to clients.

ATON recommends that all clients use a particular broker-dealer for execution and/or custodial services. The broker-dealer is recommended based on criteria such as, but not limited to, reasonableness of commissions charged to the client, tools and services made available to the client and the Advisor, and convenience of access to the account trading and reporting. The client will provide authority to ATON to direct all transactions through that broker-dealer in the investment advisory agreement. For clients investing in digital assets, we recommend clients establish an account with Gemini Custody, a qualified custodian under New York Banking Law. ATON is not affiliated with Gemini Custody and we do not receive any research or other soft dollar benefits from Gemini Custody.

As an investment advisory firm, ATON has a fiduciary duty to seek best execution for client transactions. While best execution is difficult to define and challenging to measure, there is some consensus that it does not solely mean the achievement of the best price on a given transaction. Rather, it appears to be a collective consideration of factors concerning the trade in question. Such factors include the security being traded, the price of the trade, the speed of the execution, apparent conditions in the market, and the specific needs of the client. ATON's primary objectives when placing orders for the purchase and sale of securities for client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the broker. ATON may not necessarily pay the lowest commission or commission equivalent as specific transactions may involve specialized services on the part of the broker.

ATON will allow clients to direct brokerage at the firm's sole discretion. Clients should be aware that if they direct ATON to a particular broker-dealer for execution ATON may be unable to achieve most favorable execution of client transactions. Directing brokerage may cost clients more





money than if ATON were to execute transactions at the broker-dealer where it has an established relationship. The client may pay higher brokerage commissions because ATON may not be able to aggregate orders to reduce transaction costs or the client may receive less favorable prices.

ATON may combine orders into block trades when more than one account is participating in the trade. This blocking or bunching technique must be equitable and potentially advantageous for each such account (e.g. for the purposes of reducing brokerage commissions or obtaining a more favorable execution price). Block trading is performed when it is consistent with the duty to seek best execution and is consistent with the terms of ATON's investment advisory agreements. Equity trades are blocked based upon fairness to client, both in the participation of their account, and in the allocation of orders for the accounts of more than one client. Allocations of all orders are performed in a timely and efficient manner. All managed accounts participating in a block execution receive the same execution price (average share price) for the securities purchased or sold in a trading day. Any portion of an order that remains unfilled at the end of a given day will be rewritten on the following day as a new order with a new daily average price to be determined at the end of the following day. Due to the low liquidity of certain securities, broker availability may be limited. Open orders are worked until they are completely filled, which may span the course of several days. If an order is filled in its entirety, securities purchased in the aggregated transaction will be allocated among the accounts participating in the trade in accordance with the allocation statement. If an order is partially filled, the securities will be allocated pro rata based on the allocation statement. ATON may allocate trades in a different manner than indicated on the allocation statement (non-pro rata) only if all managed accounts receive fair and equitable treatment.

### **Item 13 Review of Accounts**

Investment advisory client accounts, and for ongoing financial planning clients, financial plans, are monitored on an ongoing basis. Client accounts (and/or financial plans) are reviewed by Marko Rendic, Managing Member. The nature of the review is to determine if the client account is still in line with the client's stated objectives, and that financial plans are still relevant based on the client's current circumstances.

The firm also considers conditions that would warrant a review based on market conditions or changes in client circumstances. Triggering factors may include ATON becoming aware of a change in client's investment objective, a change in market conditions, change of employment, or a change in recommended asset allocation weightings in the account that exceed a predefined guideline.

The client is encouraged to notify the Advisor and Investment Advisor Representative if changes occur in his/her personal financial situation that might materially affect his/her investment plan.

The client will receive written statements no less than quarterly from the custodian. In addition, the client will receive other supporting reports from mutual funds, asset managers, trust companies or other custodians, insurance companies, broker-dealers and others who are involved with client accounts. ATON does not provide reports to clients on a predetermined schedule.



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

ATON is not compensated by anyone for providing investment advice or other advisory services except as previously disclosed in this Brochure.

ATON may compensate persons or firms for client referrals in compliance with the Adviser's Act and state securities rules and regulations. The fees paid to referral sources do not affect the fees clients pay to ATON. In each instance, a written agreement will exist between the Advisor and the referral source. At the time of a referral, prospective advisory clients will receive the Advisor's Brochure and a Solicitor's Disclosure Document. ATON has established policies and procedures to ensure that its solicitation activities are compliant with the requirements under Rule 206(4)-3 of the Adviser's Act and state securities rules and regulations.

## **Item 15 Custody**

ATON does not have custody of client funds or securities, except for the withdrawal of advisory fees directly from client accounts. However, as noted in Item 13 above, clients will receive statements not less than quarterly from the qualified custodian, and we encourage you to review those statements carefully. Any discrepancies should be immediately brought to the firm's attention.

## **Item 16 Investment Discretion**

ATON generally has discretion over the selection and amount of securities to be bought or sold in client accounts without obtaining prior consent or approval from the client for each transaction. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the client and agreed to by ATON.

Discretionary authority will only be provided upon full disclosure to the client. The granting of such authority will be evidenced by the client's execution of an Investment Advisory Agreement containing all applicable limitations to such authority. All discretionary trades made by ATON will be in accordance with each client's investment objectives and goals.

## **Item 17 Voting Client Securities**

ATON will not vote, nor advise clients how to vote, proxies for securities held in client accounts. The client clearly keeps the authority and responsibility for the voting of these proxies. Also, ATON cannot give any advice or take any action with respect to the voting of these proxies. The client and ATON agree to this by contract. Clients will receive proxy solicitations from their custodian and/or transfer agent.

Regarding digital assets, there are no voting rights for Bitcoin. Governance tokens on the Ethereum network may have voting rights, which the Adviser will not make recommendations on or vote on behalf of Client.





## **Item 18 Financial Information**

ATON does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and is not required to file a balance sheet.

ATON is not aware of any financial condition that will likely impair its ability to meet contractual commitments to clients. If ATON does become aware of any such financial condition, this brochure will be updated and clients will be notified.

ATON has never been subject to a bankruptcy petition.

There are no material relationships maintained by ATON or its management persons with any issuers of securities.