

# Pylon

## Form ADV Part 2A

**Pylon Inc.**  
1775 Tysons BLVD  
4th Floor  
Mclean, VA 22102  
240-601-1540

<https://www.hellopylon.com>

September, 2022

This Brochure provides information about the qualifications and business practices of Pylon. If you have any questions about the contents of this Brochure, please contact us at 240-601-1540 or [Support@hellopylon.com](mailto:Support@hellopylon.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Pylon is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

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

## **Item 2 – Material Changes**

Pylon is a newly registered investment advisor, and this is an amendment to Pylon's initial narrative Brochure prepared in accordance with Part 2A of Form ADV. Pylon had been relying on Rule 203A-2(c) as they expected to be eligible for SEC registration within 120 days. Pylon has since acquired clients in 15 or more states and is now relying on rule 203A-2(d) as a multi-state adviser. There are no additional material changes to report in this brochure.

### **Item 3 -Table of Contents**

Item 1 – Cover Page	i
Item 2 – Material Changes	ii
Item 3 -Table of Contents	iii
Item 4 – Advisory Business	1
Item 5 – Fees and Compensation	1
Item 6 – Performance-Based Fees and Side-By-Side Management	2
Item 7 – Types of Clients	3
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	3
Item 9 – Disciplinary Information	3
Item 10 – Other Financial Industry Activities and Affiliations	4
Item 11 – Code of Ethics	4
Item 12 – Brokerage Practices	6
Item 13 – Review of Accounts	6
Item 14 – Client Referrals and Other Compensation	6
Item 15 – Custody	6
Item 16 – Investment Discretion	7
Item 17 – Voting Client Securities	7
Item 18 – Financial Information	8

## **Item 4 – Advisory Business**

### **Introduction.**

Pylon, Inc. was formed in December 2020 to provide financial planning and monitoring services online to clients. The principal owners of the business are Fahad Hassan (CEO) and David Cusatis (CTO).

### **Types of Advisory Services.**

Pylon offers financial planning services by making non-discretionary recommendations on a client's financial outlook. Pylon may advise clients on 529 plans, private stock accounts, 401k accounts, portfolio optimization, equities owned, bonds, ETF's, and other financial accounts.

Pylon's purpose is to provide guidance to Clients in every aspect of their financial well being. Not only does Pylon provide advisory services on portfolio investments, but may provide feedback and guidance on private stocks, loans, student debt, housing expenses, insurance, and other financial products or services. Therefore, while the primary goal of collecting client information is to provide investment advice in a fiduciary capacity to the client, the Firm also utilizes this information to make recommendations about a variety of financial products (e.g. credit cards, loans, insurance products, and investment opportunities) and services that may aid the client in their financial journey.

As it relates to a client's financial planning needs, Pylon may discuss investment-related products offered by third-party companies. Some of the products and services offered by third-party companies may be accessible to clients on our platform. Each service item listed on the platform has its own fee model that is explained to clients up-front and determined by the external company that is offering the service. For instance, ETFs and mutual funds Pylon may discuss with clients charge their own internal management and administrative fees, which are disclosed in each respective fund's individual prospectus. Pylon only recommends products and services that are in the best interest of our clients. The client always has the right to decide whether to act on these other recommendations for insurance products and savings accounts or student loan refinancing origination services. If they do decide to act, clients always have the right to do so through the professional of their choosing.

**Client Investment Objectives and Restrictions.**

Pylon tailors any advisory services to the individual needs of its clients. When clients join the platform, they undergo a detailed onboarding process in which information about their personal and financial lives are captured to best understand their entire financial picture. Part of this process includes clarifying what their short, medium, and long term goals are when it comes to their money. They then add any financial accounts, balances, and details that are relevant to their finances by uploading statements, connecting via securely established API-connections with their financial provider (if made available by their provider), or manually entering the data.

Next, clients are encouraged to ask questions directly within Pylons financial platform that Pylon advisors are able to answer. Some of these questions are general recommendations while other questions may be of a more specific nature.

Since Pylon does not have discretionary authority over client Financial Planning accounts, nor does it execute or arrange transactions on behalf of our clients, there is no process through which clients may impose restrictions on investing in certain securities or types of securities. Clients always have the choice to accept or reject the advice from Pylon's software platform and/or its financial advisors.

**Wrap Fee Program.**

Pylon does not participate in wrap fee programs.

**Discretionary assets under management.**

Pylon provides non-discretionary investment advice to its clients. As of the date of this Brochure, the Firm has no assets under management.

## Item 5 – Fees and Compensation

Pylon offers a flat service fee per month per client. The fees are paid directly by clients who sign up for the platform online.

Pylon also offers the ability for Employers to purchase Pylons services for their employees. The fees for employers may be discounted depending on the number of employees that are registered through an employer or the length of the contract an employer chooses to sign. Pylon will send the employer a written invoice, including the fee, and the time period covered by the fee. Pylon will send these to the employer concurrent with the request for payment of Pylon's fees. Pylon sends an invoice to the employer, who is then able to pay the invoice by check, credit card, or using a third party online service provider. Partial month services are treated as full month services for all clients.

Pylon does not charge performance based fees to individual clients or any clients joining via their employer. Pylon does not deduct any fees from clients accounts.

Pylon's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Pylon's fee, and Pylon shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that Pylon considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

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

Pylon does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **Item 7 – Types of Clients**

Pylon provides investment advice to individuals and high net worth individuals. There are no requirements for opening or maintaining an account with Pylon.

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

### **Investment Strategies and Methods of Analysis.**

As described in Item 4.B., Pylon formulates investment advice based on the information provided by the client during the initial onboarding survey and subsequent updates to the software platform with a financial advisor or on their own as new information comes to light. Pylon may optimize a client's investment portfolio choices by recommending lower cost investment alternatives, methods of diversifying portfolios, and asset class weights that optimize a client's return per unit of risk. The goal of this optimization method is to achieve efficient frontier portfolios, which offer the highest expected return for a defined level of risk or the lowest risk for a given level of expected return. Clients should note that investing in securities involves risk of loss that Clients should be prepared to bear.

### **Material Risks of Investment Strategies and Methods of Analysis.**

Please see below for an explanation of the various types of risks Clients incur when they invest in a certain type of security or partake in a particular investment strategy:

## **Market Risk**

The price of any security or the value of an entire asset class can decline for a variety of reasons outside of Pylons control, including, but not limited to, changes in the macroeconomic environment, unpredictable market sentiment, forecasted or unforeseen economic developments, interest rates, regulatory changes, and domestic or foreign political, demographic, or social events. If a Client has a high allocation in a particular asset class, it may negatively affect overall performance to the extent that the asset class underperforms relative to other market assets. Conversely, a low allocation to a particular asset class that outperforms other asset classes in a particular period may cause that Client Account to underperform relative to the overall market.

*Securities/investment vehicles prone to this risk: equities, bonds, ETFs, and mutual funds.*

## **Material Risks of Securities Recommendations**

### **Advisory Risk**

There is no guarantee that Pylons investment advice about particular securities or asset classes will necessarily produce the intended results. Pylon and its representatives are not responsible to any client for losses unless caused by Pylons breach of its fiduciary duty.

*Securities/investment vehicles prone to this risk: equities, bonds, ETFs, and mutual funds.*

**Foreign Investing and Emerging Markets Risk** - Foreign investing involves risks not typically associated with U.S. investments, and the risks may be exacerbated further in emerging market countries. These risks may include, among others, adverse fluctuations in foreign currency values, as well as adverse political, social, and economic developments affecting one or more foreign countries. In addition, foreign investing may involve less publicly available information and more volatile or less liquid securities markets, particularly in markets that trade a small number of securities, have unstable governments, or involve limited industry. Investments in foreign countries could be affected by factors not present in the U.S., such as restrictions on receiving the investment proceeds from a foreign country, foreign tax laws or tax withholding requirements, unique trade clearance or settlement procedures, and potential difficulties in enforcing contractual obligations or other legal rules that jeopardize shareholder protection. Foreign accounting may be less transparent than U.S. accounting practices and foreign regulation may be inadequate or irregular.



*Securities/investment vehicles prone to this risk:* foreign equities, foreign bonds, and funds that hold foreign equities and/or bonds.

**ETF Risks, including Net Asset Valuations and Tracking Error** - ETF performance may not exactly match the performance of the index or market benchmark that the ETF is designed to track because 1) the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; 2) certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable; and 3) supply and demand in the market for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF. Certain ETF strategies may from time to time include the purchase of fixed income, commodities, foreign securities, American Depositary Receipts, or other securities for which expenses and commission rates could be higher than normally charged for exchange traded equity securities, and for which market quotations or valuation may be limited or inaccurate. Pylon does not use leveraged or inverse ETFs as part of its portfolio construction. A non-indexed ETF can trade at a price above (premium) or below (discount) the share's net asset value. A non-indexed ETF purchased at a premium may ultimately be sold at a discount.

*Securities/investment vehicles prone to this risk:* ETFs

**Inflation, Currency, and Interest Rate Risks** - 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 an investor's future interest payments and principal. Inflation also generally leads to higher interest rates, which in turn may cause the value of many types of fixed income investments to decline.

*Securities/investment vehicles prone to this risk:* ETFs, and mutual funds.

## **Technology Risk**

Since Pylon utilizes technological tools to help Clients simulate portfolio performance based on hypothetical allocations, Clients should make note of the following risks associated with using an online interface:

- i. A computer-based portfolio calculator may still make incorrect assumptions about a client's financial situation. There is always a possibility that the calculator may experience technical malfunctions that would cause its recommendations to be inaccurate.

- ii. Clients must not construe the results of Pylon's computer based portfolio calculator as investment advice. The calculator is merely a supplemental tool that helps Clients assess their financial situation and evaluate potential investments. Clients should note that the calculator bases its recommendation on the assumption that all the information the Client provided is correct and that there are no other external factors to consider.
- iii. The calculator can only base its output on the input from the client. As such the calculator's output is only as accurate as the data the Client inputs.
- iv. The output that the calculator generates may not assess all of the client's particular situation. Special circumstances, qualitative characteristics, and other intangible components of a client's personal background that are not captured by the calculator may cause the calculator assumption to be wrong.

Clients are highly encouraged to speak with a financial advisor at any time to review their Investment Profile and Client Plan. Pylon also has procedures for reviewing Client accounts, which is outlined in Item 13 of this Firm Brochure.

### **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Pylon or the integrity of Pylons management.

There are no material legal or disciplinary events to disclose with respect to Pylon or its employees.

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

Management and employees of Pylon plan to dedicate substantially all of their professional efforts to Pylon and currently have no significant outside business interests. Prior to engaging in any outside business activities, employees will be required to pre-clear such activities with Pylon's chief compliance officer (the "CCO") and/or chief executive officer (the "CEO").

## **Item 11 – Code of Ethics**

Pylon has adopted a Code of Ethics (the “Code”) that obligates Pylon and its employees to put the interests of its clients before their own interests and to act honestly and fairly in all aspects of their dealings with clients. All of Pylon’s personnel are also required to comply with applicable federal securities laws.

Subject to certain exceptions, trades made by employees are reviewed by the CCO. Pylon requires its employees to pre-clear certain transactions in the personal accounts with the CCO who may deny permission to execute the transaction if such transaction is believed to have an adverse economic impact on the firm’s clients. Any approval will remain in effect for two business days. In addition, the Code prohibits Pylon or its employees from executing personal securities transactions of any kind in any securities on a restricted securities list maintained by the CCO.

No employee may acquire new issues or securities in a limited offering without first obtaining pre-clearance and approval from the CCO.

All of Pylon’s employees are required to disclose their securities accounts and transactions, if any, on a quarterly basis and their holdings upon commencement of employment with Pylon and on an annual basis thereafter. All of Pylon’s employees are also required to provide brokerage statements quarterly and an annual certification of transactions. Trading in employees’ accounts will be reviewed by the CCO and compared against the restricted securities list.

The Code of Ethics also sets forth Pylon policy with respect to insider trading by providing: i) a detailed explanation of the rules and regulations that govern insider trading; and ii) policies and procedures that should be carried out by Pylon employees in the event that there is any question as to the applicability of the insider trading rules.

A copy of Pylon’s Code of Ethics is available to clients and prospective clients upon their individual request.

Pylon is also committed to maintaining the confidentiality, integrity, and security of its client’s personal information. It is Pylon’s policy to collect only information necessary or relevant to its management business and to use only legitimate means to collect such information. Pylon does not disclose any non-public, personal information about clients to anyone except for client servicing purposes and as required by law or regulation. Pylon restricts access to non-public, personal information about its investors to those employees

with a legitimate business need for the information. Pylon maintains physical, electronic, and procedural safeguards to guard each investor's non-public, personal information.

## **Item 12 – Brokerage Practices**

Due to the nature of Pylon's business, Pylon does not place trading orders or execute transactions on behalf of clients and therefore does not recommend broker-dealers or engage in any soft dollar practices involving the receipt of research or other brokerage service in connection with client transactions.

Pylon does not compensate or otherwise reward any brokers for Client referrals.

## **Item 13 – Review of Accounts**

Each account advised by the Firm has investment guidelines set forth in the documentation provided by clients during onboarding and updated from time to time thereafter. It is Pylons policy to advise Client accounts in accordance with any objectives and guidelines imposed by the Client. If it is determined that a conflict between the investment goals could arise, Pylon will immediately contact the client to explain our opinion and collectively determine the proper steps to take.

Each client's account is periodically reviewed no less than annually for adherence to the clients objectives, restrictions, and portfolio structure guidelines and to confirm any material changes in their financial profile that would affect Pylons recommendations to them. Mark Cecchini, Head of Planning Operations, performs the periodic reviews.

## **Intermittent Review Factors**

Intermittent reviews may be triggered by substantial market fluctuation, economic or political events, or by changes in clients financial status(such as retirement, termination of employment, relocation, or inheritance).

Clients are advised to notify Pylon promptly if there are any material changes to their financial situations, investment objectives, or in the event they wish to place restrictions on their accounts.

## **Client Reports**

For financial planning services, the Firm provides all Clients with continuous access to their profile via the Pylon website, where Clients can access their financial profile and investment recommendations. The written reports include the accounts valuation and performance. The reports also include a summary of the holdings in a clients portfolio, along with an analysis of the portfolios progress in meeting the clients investment objectives. Clients will also receive periodic email communications describing portfolio performance and product features.

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

##### **Economic Benefits Provided by Third Parties.**

Pylon does not receive any other compensation from third parties (other than clients' employer) for the advisory services the firm provides to its clients.

##### **Compensation to Non-Advisory Personnel for Client Referrals.**

Neither Pylon nor its related persons directly or indirectly compensate any person who is not a supervised person for Client referrals.

#### **Item 15 – Custody**

Pylon does not maintain custody of Client funds or securities. All Client funds and securities are maintained with a qualified custodian of the clients choosing.

#### **Item 16 – Investment Discretion**

Pylon does not assume discretionary trading and investment authority over client assets for the firm's financial planning services.

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

Pylon does not have or accept authority to vote Client securities. Clients will receive their proxies or other solicitations directly from their custodian. Clients may not contact Pylon with questions about a particular solicitation.

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Pylon’s financial condition. Pylon has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Pylon does not require or solicit prepayment of more than \$1,200 in fees, or any fees for that matter, per client, six months or more in advance.