

# PARA WEALTH ADVISORS, INC.

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March 3, 2023

[www.parawealthadvisors.com](http://www.parawealthadvisors.com)

This Brochure provides information about the qualifications and business practices of Para Wealth Advisors, Inc. If you have any questions about the contents of this Brochure, please contact us at (360) 558-7058 or [stacy@parawealthadvisors.com](mailto:stacy@parawealthadvisors.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Para Wealth Advisors is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Para Wealth Advisors is 322683.

## ITEM 2 – MATERIAL CHANGES

There are no material changes since our last filing on December 2, 2022.

Pursuant to SEC guidelines, we will ensure that all current clients receive a Summary of Material Changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. A Summary of Material Changes is also included with our Brochure on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). We may further provide other ongoing disclosure information about material changes as necessary, based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Stacy L. Rerick, Chief Compliance Officer of Para Wealth Advisors at (360) 558-7058 or [stacy@parawealthadvisors.com](mailto:stacy@parawealthadvisors.com). Our Brochure is provided free of charge.

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## ITEM 4 – ADVISORY BUSINESS

- A** Para Wealth Advisors, Inc. (“Para Wealth Advisors” “we” or “us”) is a registered investment advisor located in Camas, Washington and registered with the SEC. Para Wealth Advisors was founded by Stacy Rerick. As discussed more fully below, Para Wealth Advisors assists clients in investment management and consultation, determination of financial objectives, identification of financial challenges, cash flow management, tax planning, insurance review, education funding, retirement planning, and estate planning.
- B, C** We provide two types of advisory services: Financial Planning Services and Investment Management Services. The combination of these services is called Wealth Management Services. Each of these services is described more fully below.

### **Financial Planning Services**

Financial Planning Services include the initial formulation of a personal financial plan, with recommendations and supporting written work as necessary, and may include the ongoing tracking of the client’s progress in achieving the personal financial goals targeted in the plan. The scope of Financial Planning Services selected is defined in advance and agreed upon between the Firm and the client. Fees for Financial Planning Services are defined below under Item 5: Fees and Compensation.

The Financial Planning Services process typically begins with the collection, organization, and assessment of relevant client data, including information concerning the client’s lifestyle, risk tolerance, and cash flow, as well as identification of the client’s financial concerns, goals, and objectives. The primary objective of this process is to allow the Firm to assist the client in developing a strategy for the successful management of income, assets, and liabilities in order to help meet the client’s individual financial objectives.

### **Investment Management Services**

Para Wealth Advisors offers clients Investment Management Services that encompass the traditional asset classes of fixed income, domestic equities and foreign securities, but can also include alternative asset classes as well. See Item 8 for a description of our strategy.

The Firm will generally manage a client’s investment portfolio on a non-discretionary basis, and may assist the client in the establishment of the necessary custodial accounts. Our advice and services are tailored to the client, including being based on a personalized understanding of each client’s independent investment objectives. The Firm’s Investment Management Services typically begin through the gathering of information. Based upon this information, the Firm selects the appropriate allocation for the client’s assets. Clients may impose restrictions on investing in certain securities and types of securities.

### **Wealth Management Services**

Wealth Management Services refers to the combination of Financial Planning Services and Investment Management Services. Fees for Wealth Management Services are defined below under Item 5: Fees and Compensation. Any implementation of the recommendations made by the Firm during the course of rendering its Wealth Management Services is entirely at the

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client's discretion. Clients are advised that a potential conflict of interest exists if we recommend our own Investment Management Services for the implementation of the recommendations contained in the financial plan.

- D** Para Wealth Advisors does not offer a Wrap Fee program.
- E** We manage \$0 of Client assets on a discretionary basis and \$139,664,673 of Client assets on a non-discretionary basis. This amount was calculated as of December 31, 2022.

## ITEM 5 – FEES AND COMPENSATION

- A** Para Wealth Advisors charges annual fees for managing Clients' portfolios. The fees charged generally vary between 0.50% and 2% of assets under management. The exact fee is based upon the client relationship, the amount of assets under management, and the specific needs of the client; however, fees may be negotiable. Para Wealth Advisors has an account balance minimum of \$300,000. We will make exceptions to this minimum under certain circumstances.

Financial planning services are billed by the hour with an estimated cost for completing the agreed upon scope of work will be provided to the client in advance at a rate of \$395 per hour.

- B** We bill Client quarterly fees in arrears. Fees are paid directly to us from the account by the custodian upon our submission of fee information. Payment of fees may result in the liquidation of Client's securities if there is insufficient cash in the account. The fee is based on the closing market value of the Client's account on the last trading day of the prior quarter. Market value means the value of all assets in the account. To determine value, securities and other instruments traded on a market for which actual transaction prices are publicly reported shall be valued at the last reported sale price on the principal market in which they are traded (or, if there shall be no sales on such date, then at the mean between the closing bid and asked prices on such date). Other readily marketable securities and other instruments shall be priced using a pricing service or through quotations from one or more dealers. In a situation where less actively traded securities do not have readily available market quotations, the Advisor will take steps to ensure that an appropriate valuation methodology is used to determine the value of the security. In the event the client disputes the value assessed by the Advisor, the Advisor will seek to obtain and document price information from at least one independent source, whether it be a broker-dealer, bank, pricing service or other source.

For hourly and fixed fee projects, those projects are invoiced directly to the client.

- C** Clients pay brokerage transaction costs and other charges directly to the custodian. See Item 12 – Brokerage Practices. Clients may be required to pay, in addition to Para Wealth Advisors' fee, a proportionate share of any exchange traded funds or mutual fund's fees and charges. For example, Mutual fund operating expenses are paid out of the fund and are an additional expense incurred by the Client.
- D** Clients pay all advisory fees quarterly in arrears. New accounts are pro-rated from the time we begin charging a fee to the Client. Fees for partial months at the commencement or termination of this Agreement will be billed on a pro-rated basis contingent on the number of

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days the account was open during the month. Additionally, all service agreements may be terminated at any time by providing us with 15 days written notice. Any compensation paid for services beyond the time the agreement was terminated in writing will be refunded to the Client.

If Para Wealth Advisors has provided the Client a copy of its Form ADV Part 2 less than forty-eight hours prior to entering into any investment advisory contract or if Para Wealth Advisors provided the Client a copy of its Form ADV Part 2 at the time of entering into the investment advisory agreement, then the Client may terminate the investment advisory agreement without penalty within five business days after entering into the contract. Alternatively, the investment advisory agreement may be terminated at any time by either party by providing 15 days written notice to the other party.

- E** Investment advisor representatives affiliated with our Firm may receive indirect compensation from ownership interests and third-party compensation from one or more investment offerings purchased prior to any affiliation with Para Wealth Advisors. Our advisors will only recommend investment to their clients that are suitable for the investment and in amounts that are consistent with their investment objectives. Please see Item 10 for more details on these relationships.

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours.

#### ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Para Wealth Advisors does not charge any performance-based fees for its services, nor do we perform side by side management. Accordingly, this item is not applicable to our firm.

#### ITEM 7 – TYPES OF CLIENTS

We provide investment advice to individuals, businesses, and trusts and estates. Because each Client is unique, they must be willing to be involved in the planning and ongoing processes. Such involvement does not have to be time consuming, however we want our Clients to remain informed and have a sense of security about their investments. Para Wealth Advisors has an asset minimum of \$300,000 to open an account. We will make exceptions to this minimum under certain circumstances.

#### ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

##### **A Our Methods of Analysis and Investment Strategies**

In formulating investment advice and managing assets, we utilize fundamental and technical analysis. Fundamental analysis involves the analysis of financial statements, general financial

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health of companies, analysis of management or competitive advantages. This type of analysis concentrates on factors that determine a company's value and expected future earnings. This analysis would seek investments with a value discounted by the market. The risk assumed is that the market will fail to reach expectations of perceived value.

Technical analysis involves the analysis of past market data, primarily price and volume, to forecast the direction of prices. The assumption is the market will follow perceptible patterns, which if identified, a predication can be made. This risk is that markets do not always follow patterns.

Fundamental and technical analysis in turn guides the Firm's asset allocation decisions and the selection of investments suitable for particular investment portfolios. We generally employ a long-term strategy consistent with client goals, although we may buy and sell positions that are more short-term in nature.

- B, C** The primary investment strategy used to implement any investment advice given to clients is asset allocation. We ask clients questions about their desired rate of return, risk profile, investment time horizon, tax consequences, and other constraints. We use our best judgment and good faith efforts in rendering services to Client. We cannot warrant or guarantee any particular level of account performance, or that an account will be profitable over time. Not every investment recommendation we make will be profitable. Investing in securities involves risk of loss that Clients should be prepared to bear. Clients assume all market risk involved in the investment of account assets. Investments are subject to various market, currency, economic, political, and business risks.

Except as may otherwise be provided by law, we are not liable to Clients for:

- any loss that Clients may suffer by reason of any investment recommendation we made with that degree of care, skill, and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; or
- any independent act or failure to act by a custodian of Client accounts.

It is the responsibility of the Client to give us complete information and to notify us of any changes in financial circumstances or goals.

#### ITEM 9 – DISCIPLINARY INFORMATION

Para Wealth Advisors is required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of our firm, or the integrity of our management. No principal or person associated with Para Wealth Advisors has any information to disclose which is applicable to this Item.

#### ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither Para Wealth Advisors, nor any member of its management is registered as a securities broker-dealer, or a futures commission merchant, commodity pool operator or commodity trading advisor.

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The Firm does not have any affiliation with any related person who is a broker-dealer, investment company, other investment advisor, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships. Except as noted below, Para Wealth Advisors does not receive compensation directly or indirectly from other advisers that creates a material conflict of interest, nor does it have other business relationships with advisers that would create a material conflict of interest.

Certain clients may have legacy positions in the Romano Capital Investment Fund, LLC which may pay fees to the fund manager, Capital Preservation Management, LLC, an investment advisory firm registered in the State of Washington that is not affiliated with Para Wealth Advisors. In turn, Capital Preservation Management, LLC may distribute fees of up to two percent indirectly to investment advisor representatives of our firm for certain ongoing due diligence and related advisory services. Additionally, our founder has a minority interest in SFA Commercial, LLC, and may receive a compensation from investment opportunities provided through that entity. At this time Para Wealth Advisors does not recommend such offerings to clients and only advises on legacy positions. While Para Wealth Advisors does not actively offer positions in these entities, certain clients may have legacy positions with these organizations, and therefore Para Wealth Advisors or its investment advisor representatives may receive indirect compensation.

Finally, in limited circumstances, Para Wealth Advisors may offer investment opportunities in Romano Capital Investment Fund, LLC, Eleva, LLC, 120 Up, LLC, and similar offerings to clients. In doing so, Para Wealth Advisors may have a conflict of interest from the receipt of advisory fees from a third party. This is mitigated by full disclosure to clients, and only offered to clients who fully understand the nature of the services provided by Para Wealth Advisors (*i.e.*, ongoing due diligence and advice), as well as where appropriate for the client's investment objectives and investment horizon.

**ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTION & PERSONAL TRADING**

**A** Para Wealth Advisors has a Code of Ethics which all employees are required to follow. The Code of Ethics outlines our high standard of business conduct, and fiduciary duty to Clients. The Code of Ethics includes provisions relating to the confidentiality of Client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things.

A copy of the code of ethics is available to any Client or prospective Client upon request by contacting Stacy Rerick.

**B, C, D** We do not own or manage any companies or investments that we advise our Clients to buy. We may buy and sell some of the same securities for their own account that Para Wealth Advisors buys and sells for its Clients. In addition, one or more investment advisor representatives may have ownership interest in private placements offered previously through other advisory firms. However, we do not currently sell or recommend such offerings, but may continue to receive indirect compensation for services related to due



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diligence. When appropriate, we will purchase or sell securities for Clients before purchasing the same for our account or allowing representatives to purchase or sell the same for their own account. In some cases, Para Wealth Advisors or representatives may buy or sell securities for their own account for reasons not related to the strategies adopted for our Clients. Our employees are required to follow the Code of Ethics when making trades for their own accounts in securities which are recommended to and/or purchased for Clients. The Code of Ethics is designed to assure that the personal securities transactions will not interfere with decisions made in the best interest of advisory Clients while at the same time, allowing employees to invest their own accounts.

Para Wealth Advisors will disclose to advisory Clients any material conflict of interest relating to us, our representatives, or any of our employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

As any advisory situation could present a conflict of interest, we have established the following restrictions to ensure our fiduciary responsibilities:

1. A director, officer, associated person, or employee of Para Wealth Advisors shall not buy or sell securities for his personal portfolio where his decision is substantially derived, in whole or in part, by reason of his employment unless the information is also available to the investing public on reasonable inquiry. No person of Para Wealth Advisors shall prefer his or her own interest to that of the advisory Client.
2. Para Wealth Advisors maintains a list of all securities holdings for itself and for anyone associated with its advisory practice that has access to advisory recommendations. An appropriate officer of Para Wealth Advisors reviews these holdings on a regular basis.
3. Any individual not in observance of the above may be subject to termination.

## ITEM 12 – BROKERAGE PRACTICES

- A** Our Clients' assets are held by independent third-party custodians. Except to the extent that the Client directs otherwise, Para Wealth Advisors may use its discretion in selecting or recommending the broker-dealer. The Client is not obligated to effect transactions through any broker-dealer recommended by Para Wealth Advisors. In recommending broker-dealers, Para Wealth Advisors will comply with its fiduciary duty to seek best execution and with the Securities Exchange Act of 1934 and will take into account such relevant factors as:

- Financial Condition
- Record keeping
- Ability to obtain best price
- Knowledge of market, securities, and industries
- Commission structure
- Reputation and integrity

Generally speaking, we will recommend that Clients establish brokerage accounts with SEI Private Trust Company, so long as they continue to meet the above criteria.

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**B** Para Wealth Advisors may aggregate trades for Clients. The allocations of a particular security will be determined by the broker dealer before the trade is placed with the broker. When practical, Client trades in the same security will be bunched in a single order (“block”) in an effort to obtain best execution at the best security price available. When employing a block trade:

- The broker-dealer will make reasonable efforts to attempt to fill Client orders by day-end.
- If the block order is not filled by day-end, the broker-dealer will allocate shares executed to underlying accounts on a pro rata basis, adjusted as necessary to keep Client transaction costs to a minimum.
- If a block order is filled (full or partial fill) at several prices through multiple trades, an average price and commission will be used for all trades executed.
- All participants receiving securities from the block trade will receive the average price.
- Only trades executed within the block on the single day may be combined for purposes of calculating the average price.

It is expected that this trade aggregation and allocation policy will be applied consistently. However, if application of this policy results in unfair or inequitable treatment to some or all of our Clients, we may deviate from this policy.

#### ITEM 13 – REVIEW OF ACCOUNTS

- A** Accounts are reviewed by our Chief Compliance Officer, Stacy Rerick who is responsible for overseeing all investment advisory activities for the firm. The frequency of reviews is determined based on the Client’s investment objectives. Accounts are generally reviewed quarterly, but in any event, no less than annually.
- B** More frequent reviews may be triggered by a change in Client’s investment objectives; tax considerations; large deposits or withdrawals; large sales or purchases; loss of confidence in corporate management; or, changes in the economic climate.
- C** Investment advisory Clients receive standard account statements from the custodian of their accounts on a monthly or quarterly basis. Para Wealth Advisors may also provide Clients with a written report summarizing the account activity generally quarterly, but in any event, no less than annually.

#### ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Para Wealth Advisors neither compensates, nor receives compensation from, any third parties in connection with client referrals.

#### ITEM 15 – CUSTODY

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With the exception of our ability to debit fees, Para Wealth Advisors does not otherwise have custody of the assets in the account. Clients provide written authority to have fees debited from their accounts when they review and sign an Investment Advisory Agreement. They also provide the Custodian the authority to release fee payments from their accounts when they sign the custodial account application. Clients shall receive account statements no less than quarterly from the Custodian. We urge clients to review the statements from the Custodian carefully.

Para Wealth Advisors shall have no liability to the Client for any loss or other harm to any property in the account, including any harm to any property in the account resulting from the insolvency of the custodian or any acts of the agents or employees of the custodian and whether or not the full amount or such loss is covered by the Securities Investor Protection Corporation (“SIPC”) or any other insurance which may be carried by the custodian. The Client understands that SIPC provides only limited protection for the loss of property held by a custodian.

#### **ITEM 16 – INVESTMENT DISCRETION**

Generally, Clients grant us non-discretionary authority to execute investment recommendations. Nondiscretionary authority requires us to obtain a Client’s approval of each specific transaction prior to executing the investment recommendations.

#### **ITEM 17 – VOTING CLIENT SECURITIES**

- A** Para Wealth Advisors will not vote proxies on behalf of Clients and will not provide advice to Clients on how the Client should vote.
- B** Para Wealth Advisors does not have authority to vote Client securities unless authorized by the Client. Most Clients will receive proxies and other solicitations directly from the custodian or transfer agent. If any proxy materials are received on behalf of a Client, they will be sent directly to the Client or a designated representative of the Client, who is responsible to vote the proxy.

#### **ITEM 18 – FINANCIAL INFORMATION**

- A** Para Wealth Advisors does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.
- B** Para Wealth Advisors does not have discretionary authority over Client funds and securities. We have no financial commitments that would impair our ability to meet contractual and fiduciary commitments to Clients.
- C** Neither Para Wealth Advisors, nor any of the principals, have been the subject of a bankruptcy petition at any time in the past.