

**ADV PART 2A: FIRM BROCHURE**

EuroAmerican Financial Advisors EAF, S.L.  
Plaza de Villasis 2, Suite 210  
41003 Sevilla, Spain

**March 22, 2023**

This brochure provides information about the qualifications and business practices of EuroAmerican Financial Advisors EAF, S.L. If you have any questions about the contents of this brochure, please contact us at +34 954055805 or eafa@europeanusa.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. Registration with any jurisdiction does not imply a certain level of skill or training.

Additional information about EuroAmerican Financial Advisors EAF, S.L. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). CRD#323973

## **Item 2     Material Changes**

As an SEC registered investment adviser, our firm is required to comply with new reporting and filing requirements. Our Firm Brochure, dated 01/01/2023, is our new disclosure document prepared according to those requirements and rules.

After our initial filing of this Brochure, this section will be used to provide our clients with a summary of new and/or updated information.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year.

### **Material changes since last filing:**

Initial registration

**Item 3      Table of Contents Page**

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

#### **Item 4 – Advisory Business**

EuroAmerican Financial Advisors EAF, S.L. ("EuroAmerican Financial Advisors" or "EAFA"), an SEC registered investment advisor, was founded in January 2022 as a legal entity but has been operating since October 2022.

Individual Asset Management, Inc., a California registered investment advisor is sole owner of EuroAmerican Financial Advisors and Dusan Thomas (Tom) Zachystal is 100% owner of Individual Asset Management, Inc.

#### **Comprehensive Financial Planning Services**

Our financial planning services consists of the following types of advice under: Retirement planning, education planning, estate planning, insurance, real estate advice, currency hedging advice, tax planning, long term care planning.

EAFA provides tailored solutions to meet your needs through comprehensive financial planning including but not limited to:

- Investment Advisory Services
- Financial Planning Services
- Retirement Planning & Wealth Preservation
- Third Party Money Manager Services

We help clients crystalize their financial goals and create an actionable financial and investment plan. We specialize in cross-border financial advice for US citizens living in Europe and our financial plans and investment advice are highly personalized & tailored for cross-border situations. Specific issues that may be addressed:

- Selection of investment management platform that is US expat friendly
- Selection of investment manager that is US expat friendly
- Advice on currency transfers
- Advice on appropriate asset allocation and investment selection
- On-going monitoring of investment portfolio
- Taxation and estate planning advice in conjunction with specialists in these fields
- Advice on retiring outside the USA
- Financial planning projections to assist with goals such as retirement planning

#### **Third Party Manager Services**

We may recommend third party investment advisors to manage a portion of our client's account. We recommend custodians that will deal with US citizens living abroad depending on their country of residency. We primarily recommend Interactive Brokers and Charles Schwab as custodians and each offers a marketplace of 3<sup>rd</sup> party money managers.

We will ensure that any third-party investment advisers we recommend are properly registered, notice filed, or exempt from registration or notice filing.

Our clients may impose restrictions on investing in certain securities or types of securities.

EuroAmerican Financial Advisors does not participate in any wrap fee accounts.

Retirement Plan Rollovers – A client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer’s plan, if permitted, (ii) roll over the assets to the new employer’s plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account (“IRA”), or (iv) cash out the account value (which could, depending upon the client’s age, result in adverse tax consequences).

A potential conflict of interest exists if EAFA recommends that a client rolls over their retirement plan assets if EAFA or third-party managers recommended by EAFA will earn new (or increase their current) compensation as a result of the rollover. EAFA mitigates this potential conflict by analyzing the former employer’s plan comparing to the client’s options taking multiple factors into account and making a recommendation in the best interest of the client.

No client is under any obligation to roll over retirement plan assets as a result of EAFA’s recommendation.

As of January 1st, 2023, EuroAmerican Financial Advisors advises on \$0 in assets on a non-discretionary basis.

**All material conflicts of interest** are disclosed regarding the investment adviser, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

**Financial Planning Disclosure:** We are required to disclose if a conflict exists between the interests of the investment adviser and the interests of the client. If so, the client is under no obligation to act upon the investment advisor’s recommendation, and, if the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through the investment adviser.

## **Item 5 - Fees and Compensation**

### Fee Schedules

#### *Financial Advisory Fees*

We charge a 1% of assets under advisement per annum fee for investment advice subject to a minimum annual fee of 2,000 Euros.

Total fees charged by our firm and any third-party money managers will not exceed 3% of assets under management or advisement.

#### *Financial Planning Fees*

We charge a flat fee of between 1,500 and 3,000 Euro depending on complexity for standalone (without on-going advice) financial planning services. 50% of the fee is

charged up front and 50% upon completion of the plan. Plans are typically completed within two months.

As an example, our 1,500 Euro service may include meeting with the client to discuss objectives related to retirement planning and general advice on cross-border topics and preparing financial projections and a report regarding these issues.

Our 3,000 Euro service may include the above plus advice on more complex financial planning needs that may also include: Investment analysis, education planning, estate planning, insurance, real estate advice, currency hedging advice, tax planning, and long term care planning.

In certain instances, an hourly fee of 350 Euros may be available for financial planning services in lieu of the fixed fee mentioned above.

#### *Third Party Money Manager Fees*

We may recommend third party money managers that may charge their own separate management fee. These fees will be billed quarterly and charged directly from the client accounts.

#### *Termination of Agreement*

Client may terminate this Agreement upon notice to the Advisor at any time within five (5) days from the date hereof. Thereafter, either Client or Advisor may terminate this Agreement by giving thirty (30) days prior written notice of termination to the other.

Upon termination, any fees owed to the Advisor shall be paid by the Client on a prorated basis as of the effective date of termination.

If an advance payment was made directly to EAFA, our firm will refund any unearned portion of the advance payment.

#### *Other Fees*

Custodians and funds (exchange-trade or mutual funds) may charge trading or management fees - please consult each custodian's fee schedule and each fund's prospectus or fact sheet for a complete summary of these fees.

#### *Fees*

Clients are billed quarterly in arrears for investment advisory fees.

Advisory fees shall be prorated for each capital contribution and withdrawal made during the applicable calendar quarter.

Accounts initiated or terminated will be charged a prorated fee.

Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

#### *Compensation for Sale of Securities*

EuroAmerican Financial Advisors does not accept compensation nor any form of commission for the sale of securities or other investment products, including asset-based sales charges or service fees.

We have no conflicts of interest to disclose at this time.

Our clients have the option to purchase investment products that we recommend through other brokers or agents that are not affiliated with us.

EAFA does not charge any advisory fees that include any commissions or mark-ups.

**Advisory Fees in General:** Clients should note that lower fees for comparable services may be available from other sources.

#### **Item 6 - Performance-Based Fees**

EuroAmerican Financial Advisors does not charge performance fees nor engages in side-by-side management practices.

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

EuroAmerican Financial Advisors provides advisory services to the following types of clients

- Individuals
- High Net Worth
- Corporations/Other Businesses
- Other Investment Advisors (i.e. third-party money manager)

There are no account minimums.

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

##### *Methods of Analysis*

EuroAmerican Financial Advisors analyzes investment strategies as part of a larger financial planning process to align risk and types of investments with clients' stated goals & objectives. We select and advise on the allocation of investments based on these factors as well as using data from third party money managers and taking into account tax and regulatory considerations based on a client's citizenship and country of residency. We can recommend a large variety of investment types including stocks, bonds, ETFs, mutual funds, REITs.

##### *Investment Strategies*

### *Risk of Loss*

All investment programs have certain risks that are borne by the investor. Since we do not manage your investments, you should consult your own investment management service regarding these risks. Investing in securities involves risk of loss that you should be prepared to bear. The risks can range from failing to keep pace with inflation to losing some or all of the money you invest.

#### *Example of third-party material risks:*

- **Interest-rate Risk:** Changes in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

No particular type of security is primarily recommended.

### **Item 9 – Disciplinary History**



We have no disciplinary actions or complaints to disclose or report.  
We have not been involved in any criminal or civil proceedings  
We have not been involved in any violation of investment-related statutes  
We have had no criminal/civil infractions in the last 10 years.  
We have no administrative/investment-related infractions.

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

##### *Applications for registration as a broker-dealer/registered representative*

Neither we, nor our management persons, have any application pending to register as a broker-dealer or a registered representative.

##### *Applications for futures/commodity/Other merchants*

Neither we, nor our management persons, have any application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associate person of foregoing entities.

##### *Relationships/Affiliations*

We have arrangements and other relationships that are material to our advisory business or our clients.

Individual Asset Management, Inc.(IAM), a California-registered investment advisory firm (CRD# 123418) is 100% owner of EuroAmerican Financial Advisors EAF S.L., an investment advisory firm regulated by the Spanish regulator CNMV (Commission Nacional del Mercado de Valores) (National Commission of Securities Markets) and the Securities and Exchange Commission.

Individual Asset Management, Inc. is a 40% shareholder of I.W.G. International Wealth Group Ltd., a Cyprus-based investment management firm registered with the Cyprus Securities and Exchange Commission ("CySEC").

##### *Third Party Manager Services*

From time to time, EuroAmerican Financial Advisors may recommend third-party advisor services through Interactive Brokers Investor Marketplace, the Charles Schwab platform or other TPAs. IAM is one of the firms available as third-party manager on these platforms and this may create a conflict of interest in that we may recommend IAM's services.

Since IAM is 100% owner of EAFA, our management persons may have an incentive to recommend IAM services to EAFA clients, which would result in compensation received by IAM. We will seek to always act in the clients' best interests and will only recommend IAM if suitable for the clients' situation. We manage this conflict by apprising all clients that they may choose any third-party manager for investment management services, or they may choose to self-manage their investment accounts. Neither EAFA nor EAFA advisors receive any compensation from IAM for referrals.

## How we handle conflict of interest

Clients should be aware that the receipt of additional compensation by our firm and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. We endeavor at all times to put the interest of our clients first as part of our fiduciary duty as a Registered Investment Adviser and take the following steps to address this conflict:

- We disclose to clients the existence of all material conflicts of interest, including the potential for our firm and its employees to earn compensation from advisory clients in addition to our advisory fees;
- We disclose to clients that they are not obligated to purchase any investment products we recommend;
- We collect, maintain, and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- Our management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- We require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- We periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

### **Item 11 – Code of ethics, Participation or interest in client transactions and personal Trading**

Code of Ethics: We will provide a copy of our Code of Ethics to any client or prospective client upon request.

**Ethical Standards** – Our code of ethics is designed to ensure that our firm meets high ethical standards.

- The Code is designed to address and factor in activities which may lead to or give the appearance of: (1) conflicts of interest, (2) insider information, and/or (3) other forms of unethical business conduct.
- The code is designed to preserve the name and reputation of the firm and its employees.
- This Code establishes rules of conduct to oversee the personal securities trading activities in the accounts of employees (if any), immediate family/household accounts and accounts in which an employee has a beneficial interest.

**Fiduciary Duty** —Our code establishes that employees have a fiduciary duty to our clients to conduct affairs, including their personal securities transactions, in a manner to avoid:

1. Serving their personal interests ahead of clients,
2. Taking inappropriate actions, such as abusing their position with the firm, and
3. Actual conflicts of interest that would jeopardize their position of trust and responsibility.

**Material financial interest:** We do not recommend nor act as a principal, have material interest and/or sell securities to clients.

**Invest with third-party managers we recommend to clients:** We may also invest with some of the same third-party investment managers that we may recommend to you. We hold no authority in the investment decisions from the third-party managers and thus do not foresee conflicts from these arrangements.

**Recommend securities to clients:** Yes, we may buy/sell securities at or around the same time as our clients. All client buy/sell orders are placed before our own.

## **Item 12 - Brokerage Practices**

### *Selecting Brokerage Firms*

We may recommend certain broker-dealers, as the executing broker-dealer for transactions in a client's account and as custodian for the client's account.

Factors in selection of broker-dealer:

- Willingness to deal with individuals based in client's country of residence
- No platform fees for asset management
- Reasonable trading costs
- Client portal or mobile app
- Integrated performance reporting features
- Multi-currency investment platform
- Quality of customer service
- US tax reporting forms

### *Research/Soft dollars*

EuroAmerican Financial Advisors does not receive any research or other soft-dollar benefit from its relationship with any broker-dealer. As such, we do not receive any benefits from recommending any broker-dealer nor foresee any conflicts of interest that would prevent our clients from receiving the most favorable execution.

EuroAmerican Financial Advisors does not charge any commissions (or markups or markdowns) higher than those charged by other broker-dealers.

EuroAmerican Financial Advisors does not receive any research or other soft-dollar benefits to service any of its clients' accounts. If, at anytime, we should receive soft dollar benefits we would seek to allocate those commission dollars to client accounts proportionately to the soft dollar credits the accounts generate.

### *Brokerage for client referrals*

EuroAmerican Financial Advisors does not receive any referrals in exchange for using any broker-dealer as a recommended broker-dealer.

#### *Directed brokerage*

While selecting a third-party manager, we may recommend Charles Schwab or Interactive Brokers as the executing broker-dealer for transactions in the client's account. Please note that by directing brokerage you may be unable to achieve most favorable execution of transactions and that this practice may lead to higher trading costs.

#### *Client Account Aggregation*

EuroAmerican Financial Advisors does not aggregate any client accounts.

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

#### *Periodic Reviews*

Investment Advisory accounts held at a custodial firm with which we have an institutional relationship are continually monitored, and these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. Shane Clark or Tom Zachystal review all accounts.

A review and reports are also available to the firm's clients.

#### *Factors that trigger a review*

More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or changes in market, political or economic environment.

#### *Frequency of review*

Investment Advisory accounts held at a custodial firm with which we have an institutional relationship are continually monitored, and these accounts are reviewed at least quarterly.

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

EuroAmerican Financial Advisors does not provide referral/solicitation services that involve the selection of investment advisory firms for a solicitor fee.

EuroAmerican Financial Advisors does not compensate any persons for referral services at this time.

**Compensated persons** will be properly registered as solicitors with the Securities and Exchange Commission.

#### **Item 15 – Custody**

EuroAmerican Financial Advisors does not take constructive custody of any client assets.

Clients will receive account statements from their custodial firm on a monthly or quarterly basis and clients should carefully review those statements.

Clients should compare the account statement they receive from their custodian with the reports that they receive from us.

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

EuroAmerican Financial Advisors only offers investment advisory services and does not manage investment accounts. EAFA may recommend the services of a discretionary third-party investment manager.

Discretionary Authority means that the adviser shall have limited power of attorney to direct, manage, and change the investment and reinvestment of all assets in the client's account, and to take other action with respect to the account without specific prior permission from client.

#### **Item 17 - Voting Client Securities**

EuroAmerican Financial Advisors does not have the authority to vote client securities.

EuroAmerican Financial Advisors does not vote proxies for its client accounts.

Clients will receive proxies or other solicitations directly from their third-party investment managers, custodians or transfer agents by mail or email. Clients may choose to have proxies and solicitations directed to EAFA if they prefer to not receive such correspondence - however EAFA will not vote client proxies.

Clients may contact EuroAmerican Financial Advisors to discuss each proxy or solicitor arrangement.

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

EuroAmerican Financial Advisors do not require or solicit a pre-payment of fees in excess of **\$1200 per client** for six months or more in advance of services rendered.

As an advisory firm we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations.

We have no additional financial circumstances to report.

EuroAmerican Financial Advisors has not been the subject of a bankruptcy petition at any time during the past ten years.