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**Firm Brochure  
Part 2A of Form ADV**

**December 19, 2023**

This brochure provides information about the qualifications and business practices of American Asset Management, Inc. If you have any questions about the contents of this brochure, please contact us at: 561-955-8500 or by email [julian@americanasset.net](mailto:julian@americanasset.net). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

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

## Item 2 Material Changes

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

Since our last annual updating amendment dated February 25, 2023, we have the following material change to report:

- We are now longer an investment advisor to or offering the Peak Income Plus Fund, a registered investment company (mutual fund). Peak Income Plus Fund has been delisted.
- We amended Item 12, *Brokerage Practices*, to update our disclosure related to soft-dollars to indicate that we no longer accrue soft-dollars and no longer utilize previously accrued soft-dollars. We have also amended this Item to disclose that as of September 2023, we generally recommend the brokerage and custodial services of Charles Schwab & Co., Inc. ("Schwab"), a registered broker/dealer, member SIPC.

### Item 3 Table Of Contents

Item 1 Cover Page	Page 1
Item 2 Material Changes	Page 2
Item 3 Table Of Contents	Page 3
Item 4 Advisory Business	Page 4
Item 5 Fees and Compensation	Page 6
Item 6 Performance-Based Fees and Side-By-Side Management	Page 8
Item 7 Types of Clients	Page 8
Item 8 Methods of Analysis, Investment Strategies, and Risk of Loss	Page 8
Item 9 Disciplinary Information	Page 11
Item 10 Other Financial Industry Activities and Affiliations	Page 11
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	Page 12
Item 12 Brokerage Practices	Page 12
Item 13 Review of Accounts	Page 15
Item 14 Client Referrals and Other Compensation	Page 15
Item 15 Custody	Page 16
Item 16 Investment Discretion	Page 16
Item 17 Voting Client Securities	Page 16
Item 18 Financial Information	Page 17
Item 19 Requirements for State-Registered Advisers	Page 17
Item 20 Additional Information	Page 17

## Item 4 Advisory Business

### Firm Description

American Asset Management, Inc. is a registered investment adviser based in Boca Raton, Florida. We are organized as a corporation under the laws of the State of Florida. We have been registered with the SEC since 2002.

AAM provides personalized confidential financial advising and investment management to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations and small businesses. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, insurance review, investment management, education funding, retirement planning, and estate planning.

American Asset Management, Inc. is strictly a fee-only financial advising planning firm. The firm does not receive commissions for purchasing or selling annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder's fees are accepted.

Investment advice is provided, with the advisor making the final decision on investment selection. American Asset Management, Inc. does not act as a custodian of client assets. The client always maintains control of their assets. American Asset Management, Inc. places trades for clients under a limited power of attorney.

Quarterly reviews are held with clients to review portfolios and to discuss changes or client's situation.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

### Principal Owners

Julian Rubinstein is a 100% stockholder and sole owner of American Asset Management, Inc.

### Types of Advisory Services

American Asset Management, Inc. provides financial advisory services. It furnishes investment advice through consultations, issues newsletters and email reports when AAM determines that it will benefit the client. AAM also at times uses and recommends periodicals about investments, special reports about investments; and issues, charts, graphs, formulas, or other devices which clients may use to evaluate investments.

On more than an occasional basis, AAM furnishes advice to clients on matters not involving investments, such as financial planning matters, insurance and annuity investments made prior, taxation issues, and trust services that often include estate planning.

As of December 31, 2022, AAM manages \$133,464,404 in assets on a discretionary basis. No assets are managed on a non-discretionary basis.

## **Tailored Relationships**

The individual goals and objectives for each client as well as their particular financial situation are discussed at our initial meeting and are continually discussed at all future meetings. Our firm's investment goals and investment philosophy are also outlined in preliminary meetings and discussed in follow-up reviews. All of our clients agree to follow and accept our investment selection and philosophy including any changes in our investment philosophy, style and/or actual investments not previously discussed. Clients may not impose restrictions on investing in certain investments or types of securities.

## **Advisory Service Agreement**

Clients choose to have American Asset Management, Inc. manage their assets in order to obtain ongoing in-depth advice and life planning. All aspects of the client's financial affairs are advised on. As goals and situations change over time, suggestions are made and implemented on an ongoing basis. The scope of work and fee for an Advisory Service Agreement is provided to the client in writing prior to the start of the relationship. An Advisory Service Agreement includes: cash flow management; insurance review, if applicable, investment management (including performance reporting); education planning; retirement planning; estate planning, as well as the implementation of recommendations within each area.

The annual Advisory Service Agreement fee is 1% of assets managed payable quarterly and paid in arrears.

Although the Advisory Service Agreement is an ongoing agreement, the length of service to the client is at the client's discretion. The client or the investment advisor may terminate an Agreement at any time to the other.

## **Asset Management**

Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for stock and bond trades. American Asset Management, Inc. does not receive any compensation, in any form, from fund companies.

Investments may also include: equities (stocks), corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities, mutual funds shares, U. S. government securities, and interests in partnerships.

Initial public offerings (IPOs) are sometimes available through American Asset Management, Inc.

## **Termination of Agreement**

A Client may terminate any of the aforementioned agreements at any time by notifying AAM. AAM may terminate any of the aforementioned agreements at any time by notifying the client.

## **Mutual Fund Advisory Services for Registered Investment Advisers**

We serve as the investment adviser/investment manager to Peak Income Plus Fund, a registered investment company ("Fund"), for which we have a financial industry affiliation. This creates a conflict of interest because we will receive compensation as your investment adviser and as the investment adviser to the Fund. Therefore, we will not use our discretionary authority to invest any portion of your assets in the Fund without receiving prior written approval from you.

Securities held in separate accounts may also be the same securities as those purchased by the Fund.

## **Business Continuity**

American Asset Management, Inc. has developed a business continuity plan on how we will respond to events that significantly disrupt our business. After a significant business disruption, you should call 561-955-8500. If you cannot access us by calling that number, please call TD Ameritrade at 888-354-8361.

After a significant business disruption to our physical location, we will relocate to a new location that has been predetermined.

As all your information is stored by TD Ameritrade and backed up by TD Ameritrade in multiple locations, we will have access to your records provided we have Internet access. As we have both landline and mobile internet, we would expect to be able to access your data without any issues. In the event we cannot access your data, we can get the data by calling TD Ameritrade.

## **Item 5 Fees and Compensation**

### **Description**

While our annual fee is generally 1.00% of assets under management, we reserve the right to negotiate up or down not to exceed an annual rate of 2.50% of assets under management.

### **Fee Billing**

Investment management fees are billed quarterly, in arrears. Meaning that we invoice you after the three-month billing period has ended. Fees are deducted from the designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account but this is the only way we operate.

### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are imposed by the broker-dealer or custodian through whom your account transactions are executed. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, refer to the *Brokerage Practices* section of this brochure.

We may trade client accounts on margin. Each client must sign a separate margin agreement before margin is extended to that client account. Fees for advice and execution on these securities are based on the total asset value of the account, which includes the value of the securities purchased on margin. While a negative amount may show on a client's statement for the margined security as the result of a lower net market value, the amount of the fee is based on the absolute market value. This creates a conflict of interest where we have an incentive to encourage the use of margin to create a higher market value and therefore receive a higher fee. The use of margin may also result in interest charges in addition to all other fees and expenses associated with the security involved.

### **Mutual Fund Advisory Services for Registered Investment Advisers**

We serve as an investment adviser to Peak Income Plus Fund, a registered investment company. The fees and compensation paid to AAM by an Investment Company are described in such Investment Company's Prospectus. A copy of each Investment Company's Prospectus is available through the

SEC's website at [www.sec.gov/edgar/searchedgar/companysearch.html](http://www.sec.gov/edgar/searchedgar/companysearch.html). The fees and compensation paid to AAM will be paid by the Investment Company in accordance with AAM's sub-advisory agreement.

### **IRA Rollover Considerations**

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

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

An employee will typically have four options:

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

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

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

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
  - a. Employer retirement plans generally have a more limited investment menu than IRAs.
  - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
  - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
  - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
  - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.

8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

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

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

AAM does not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. AAM's fees are calculated as described in the *Advisory Business* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## **Item 7 Types of Clients**

### **Description**

AAM generally provides investment advice to individuals, pension and profit-sharing plans, trusts, estates, or charitable organizations, partnerships, corporations, and investment companies.

### **Account Minimums**

AAM requires a minimum account size of \$250,000.00; however, this minimum account size may be waived at our sole discretion.

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

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

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

Investment analysis methods may include back-testing, charting, fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that AAM may use include Morningstar Principia mutual fund information, Morningstar Principia stock information, Bloomberg, TD Ameritrade's services, advisor intelligence, and the World Wide Web.

While we do not use any of the following investment strategies unless specifically directed by the client, they are available if you would like to use them.



**Short Sales** - Unlike a straightforward investment in stocks where you buy shares with the expectation that their price will increase so you can sell at a profit, in a "short sale" you borrow stocks from your brokerage firm and sell them immediately, hoping to buy them later at a lower price. Thus, a short seller hopes that the price of a stock will go down in the near future. A short seller thus uses declines in the market to his advantage. The short seller makes money when the stock prices fall and loses when prices go up. The SEC has strict regulations in place regarding short selling.

**Risk:** Short selling is very risky. Investors should exercise extreme caution before short selling. A short seller will profit if the stock goes down in price, but if the price of the shares increase, the potential losses are unlimited because the stock can keep rising forever. There is no ceiling on how much a short seller can lose in a trade. The share price may keep going up and the short seller will have to pay whatever the prevailing stock price is to buy back the shares. However, gains have a ceiling level because the stock price cannot fall below zero.

**Risks:** A short seller has to undertake to pay the earnings on the borrowed securities as long as the short seller chooses to keep the short position open. If the company declares huge dividends or issues bonus shares, the short seller will have to pay that amount to the lender. Any such occurrence can skew the entire short investment and make it unprofitable. The broker can use the funds in the short seller's margin account to buy back the loaned shares or issue a "call away" to get the short seller to return the borrowed securities. If the broker makes this call when the stock price is much higher than the price at the time of the short sale, then the investor can end up taking huge losses.

**Risk:** Margin interest can be a significant expense. Short sales done in margin accounts, the interest payable on short trades can be substantial, especially if short positions are open over an extended period.

**Risk:** Shares that are difficult to borrow – because of high short interest, limited float, or any other reason – have "hard-to-borrow" fees. These fees based on an annualized rate can range from a small fraction of a percent to more than 100% of the value of the short trade. The hard-to-borrow rate can fluctuate substantially on a daily basis; therefore, the exact dollar amount of the fee may not be known in advance, and may be substantial.

**Margin Transactions** – a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan.

**Risk:** If the value of the shares drops sufficiently, the investor will be required to either deposit more cash into the account or sell a portion of the stock in order to maintain the margin requirements of the account. This is known as a "margin call." An investor's overall risk includes the amount of money invested plus the amount loaned to them.

**Option Writing** - a securities transaction that involves selling an option. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell a particular security at a specified price on or before the expiration date of the option. When an investor sells a call option, he or she must deliver to the buyer a specified number of shares if the buyer exercises the option. When an investor sells a put option, he or she must pay the strike price per share if the buyer exercises the option, and will receive the specified number of shares. The option writer/seller receives a premium (the market price of the option at a particular time) in exchange for writing the option.

**Risk:** Options are complex investments and can be very risky, especially if the investor does not own the underlying stock. In certain situations, an investor's risk can be unlimited.

## Investment Strategies

The primary investment goal of AAM is capital preservation with the proper amount of growth and income to live on for the rest of their lives. We developed a balanced and diversified portfolio that protects the money you need to live on and to assure that your wealth will survive any event that would be devastating to any individual element within the portfolio. In other words, our portfolio should protect you no matter what the future brings.

Every client at American Asset Management has the same goal, capital preservation with the proper amount of growth and income. There is no such thing as high or low risk as no one wants to lose money. As such, every client has the same asset allocation and invests in the same securities. When we buy or sell a security for one account, we do it for all of our accounts. This enables us to manage every account every day.

## Tax Considerations

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets.

## Risk of Loss

Past performance may not be indicative of future results. Different types of investments involve varying degrees of risk. Therefore, it should not be assumed that future performance of a particular investment or investment strategy will be profitable or achieve its objective. **If there are any changes to client's personal and/or financial situation or investment objectives, it is the client's responsibility to notify American Asset Management so that any adjustments to the investment process for that client can be implemented.** All investing involves a risk of loss.

## Other Risk Considerations

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

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

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

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

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

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

We may advise on other types of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment.

**Futures:** Futures are financial contracts obligating the buyer to purchase an asset (or the seller to sell an asset), such as a physical commodity or a financial instrument, at a predetermined future date and price. The primary difference between options and futures is that options give the holder the *right* to buy or sell the underlying asset at expiration, while the holder of a futures contract is *obligated* to fulfill the terms of his/her contract. Buyers and sellers in the futures market primarily enter into futures contracts to hedge risk or speculate rather than to exchange physical goods. Futures are not only for speculating. They may be used for hedging or may be a more efficient instrument to trade than the underlying asset.

**Derivatives:** Derivatives are types of investments where the investor does not own the underlying asset, but he makes a bet on the direction of the price movement of the underlying asset via an agreement with another party. There are many different types of derivative instruments, including options, swaps, futures, and forward contracts. Derivatives have numerous uses as well as various risks associated with them, but they are generally considered an alternative way to participate in the market. Investors typically use derivatives for three reasons: to hedge a position, to increase leverage, or to speculate on an asset's movement. The key to making a sound investment is to fully understand the risks associated with the derivative, including, but not limited to counterparty, underlying asset, price, and expiration risks. The use of a derivative only makes sense if the investor is fully aware of the risks and understands the impact of the investment within a portfolio strategy. Due to the variety of available derivatives and the range of potential risks, a detailed explanation of derivatives is beyond the scope of this disclosure.

## **Item 9 Disciplinary Information**

American Asset Management, Inc. has been registered with the SEC since 2002. Neither our firm nor any of our Associated Persons has any disciplinary information.

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

We have not provided information on other financial industry activities and affiliations because we do not have any relationship or arrangement that is material to our advisory business or to our clients with any of the types of entities listed below.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker;
2. other investment adviser or financial planner;
3. futures commission merchant, commodity pool operator, or commodity trading adviser;
4. banking or thrift institution;
5. accountant or accounting firm;

6. lawyer or law firm;
7. insurance company or agency;
8. pension consultant;
9. real estate broker or dealer; and/or
10. sponsor or syndicator of limited partnerships.

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

### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

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

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

AAM, its employees, including Mr. Rubinstein, may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the AAM Compliance Manual.

### **Personal Trading**

The Chief Compliance Officer of American Asset Management, Inc. is Julian Rubinstein. He reviews all trades to ensure their compliance with AAM policy. The personal trading reviews ensure that the personal trading of employees do not affect the markets and do not receive preferential treatment.

## **Item 12 Brokerage Practices**

### **The custodian and brokers we use**

We do not maintain custody of your assets that we manage, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15—Custody, below). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian.

We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. Conflicts of interest associated with this arrangement are described below as well as in Item 14 (Client referrals and other compensation). You should consider these conflicts of interest when selecting your custodian.

We do not open the account for you, although we may assist you in doing so. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account as described below (see "Your brokerage and custody costs").

### **How we select brokers/custodians**

We seek to recommend a custodian/broker that will hold your assets and execute transactions. When considering whether the terms that Schwab provides are, overall, most advantageous to you when compared with other available providers and their services, we consider a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds "[ETFs]", etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, security, and stability
- Prior service to us and our clients
- Availability of other products and services that benefit us, as discussed below (see "Products and services available to us from Schwab")

### **Your brokerage and trading costs**

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (for example, many mutual funds, and U.S. exchange-listed equities and ETFs) may not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab's Cash Features Program.

We are not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers. Although we are not required to execute all trade through Schwab, we have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How we select brokers/ custodians"). By using another broker or dealer you may pay lower transaction costs.

### **Products and services available to us from Schwab**

Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like ours. They provide us and our clients with access to their institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. However, certain retail investors may be able to get institutional brokerage services from Schwab without going through our firm. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services are generally available at no charge to us. Following is a more detailed description of Schwab's support services:

**Services that benefit you.** Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

**Services that do not directly benefit you.** Schwab also makes available to us other products and services that benefit us but do not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts and operating our firm. They include investment research, both Schwab's own and that of third parties. We use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, record keeping, and client reporting

### **Our interest in Schwab's services**

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. The fact that we receive these benefits from Schwab is an incentive for us to recommend the use of Schwab rather than making such decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that taken in the aggregate, our recommendation of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How we select brokers/custodians") and not Schwab's services that benefit only us.

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

We do not have any soft dollar arrangements.

### **Brokerage for Client Referrals**

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

### **Directed Brokerage**

We routinely require that you direct our firm to execute transactions through Schwab. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage costs than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

### **Block Trades**

We combine multiple orders for shares of the same securities purchased for discretionary advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts at the same price. In all cases, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given day. In the event an order is only partially filled, the shares will be allocated to participating accounts in a fair and equitable manner, typically in proportion to the size of each client's order. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.



### **Mutual Fund Share Classes**

Mutual funds are sold with different share classes, which carry different cost structures. Each available share class is described in the mutual fund's prospectus. When we purchase, or recommend the purchase of, mutual funds for a client, we select the share class that is deemed to be in the client's best interest, taking into consideration cost, tax implications, and other factors. When the fund is available for purchase at net asset value, we will purchase, or recommend the purchase of, the fund at net asset value. We also review the mutual funds held in accounts that come under our management to determine whether a more beneficial share class is available, considering cost, tax implications, and the impact of contingent deferred sales charges.

## **Item 13 Review of Accounts**

### **Periodic Reviews**

Account reviews are performed on an ongoing basis by Julian Rubinstein, CEO American Asset Management, Inc.

### **Review Triggers**

Other conditions that may trigger a review are changes in the tax laws, new investment information, new investment philosophy and changes in a client's own situation.

### **Regular Reports**

Julian Rubinstein considers the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive monthly statements from TD Ameritrade and may receive additional updates, newsletters and/or performance reports.

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

### **Incoming Referrals**

American Asset Management, Inc. has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

### **Referrals Out**

American Asset Management, Inc. does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

### **Other Compensation**

American Asset Management, Inc. receives no other forms of compensation.

### **Charles Schwab & Co., Inc - Institutional**

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. We benefit from the products and services provided because the cost of these services would otherwise be borne directly by us, and this creates a conflict. You should consider these conflicts of interest when selecting a custodian. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12—Brokerage Practices).

## Item 15 Custody

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of AAM's advisory fees. This ability to deduct advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian.

### Account Statements

All assets are held at TD Ameritrade, which means the custodians provide account statements directly to clients at their address of record monthly.

### Performance Reports

A performance report typically shows profits and losses. Upon a Client's request a performance report will be prepared by AAM and thus you are urged to compare the account statement received directly from your custodian to the performance report.

### Portfolio Statements

A portfolio statement is similar to an account statement which will show your holdings and current values on a particular day. Upon a Client's request a portfolio statement is generated from our client system. Clients are urged to compare their account statement received directly from their custodian with our portfolio statement provided by AAM.

## Item 16 Investment Discretion

### Discretionary Authority for Trading

AAM accepts discretionary authority to manage securities accounts on behalf of clients. AAM has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold.

However, AAM consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given.

The client approves the custodian to be used and the commission rates paid to the custodian. AAM does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in your accounts on your behalf.

### Limited Power of Attorney

A limited power of attorney is a trading authorization for this purpose. You sign a limited power of attorney so that we may execute the trades that you have approved.

## Item 17 Voting Client Securities

American Asset Management does not vote proxies on securities. Clients are expected to vote their own proxies. When assistance on voting proxies is requested, AAM will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.



## **Item 18 Financial Information**

American Asset Management, Inc. does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because AAM does not serve as a custodian for client funds or securities, and does not require prepayment of fees in advance.

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

This section is not applicable because AAM is a federally registered investment adviser.

## **Item 20 Additional Information**

### **Trade Errors**

Any profits or losses from trade errors will be the responsibility of AAM. If a trade is moved to a TD Ameritrade error account where a profit results from correcting the trade, AAM will adhere to the TDA policy in effect at that time.

### **Class Action Lawsuits**

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

### **Business Continuity Plan**

AAM has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornadoes, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived off site.

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

### **Information Security Program**

AAM maintains an information security program to reduce the risk that your personal and confidential information may be breached.

### **Privacy Notice**

American Asset Management is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.