



**VESTIA**<sup>TM</sup>  
Personal Wealth Advisors

## FORM ADV PART 2A FIRM BROCHURE

JANUARY 2022

VESTIA PERSONAL WEALTH ADVISORS  
SEC REGISTERED INVESTMENT ADVISOR  
CRD # 290565

9121 ILLINOIS RD, SUITE 51  
FORT WAYNE, IN 46804

TEL: (877) 669-1126  
[www.vestiaadvisors.com](http://www.vestiaadvisors.com)

This brochure provides information about the qualifications and business practices of Vestia Advisors, LLC. Please contact our Chief Compliance Officer at 971-371-3450 or email [compliance@vestia.com](mailto:compliance@vestia.com) if you have any questions about the content of this brochure.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or any state securities administrator. Additional information about Vestia Advisors, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Click on the "Investment Adviser Search" link and then search for "Investment Adviser Firm" using the firm's IARD ("CRD") number, which is 290565.

While the firm and its associates may be registered and/or licensed within a particular jurisdiction, that registration and/or licensing in itself does not imply an endorsement by any regulatory authority, nor does it imply a certain level of skill or training on the part of the firm or its associated personnel.

## Item 2 – Material Changes

In this Item, Vestia Personal Wealth Advisors is required to discuss any material changes that have been made to this Brochure since the last amendment. The following material changes have been made:

- The Firm has amended its Form ADV to update current Assets Under Management.
- Andrew Parker is no longer with the Firm and Parker Advisory Services, LLC is no longer an owner of Vestia.

Vestia Advisors, LLC may at any time update this document. We will ensure that you receive a summary of material changes, if any, to this and subsequent disclosure brochures within 120 days after our fiscal year end. Our fiscal year ends on December 31st, so you will receive the summary of material changes, if any, no later than March 31st each year. At that time, we will also offer a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

Clients are also able to download this brochure from the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), may download it from our website at [www.vestiaadvisors.com](http://www.vestiaadvisors.com), or may contact our firm at 877-669-1126 to request a copy at any time.

As with all firm documents, clients and prospective clients are encouraged to review this brochure in its entirety and are encouraged to ask questions at any time prior to or throughout the engagement.



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### IMPORTANT INFORMATION

Throughout this document, Vestia Advisors, LLC may also be referred to as “the Firm,” “Firm,” “the firm,” “firm,” “our,” “we” or “us.” The client or prospective client may be referred to as “you,” “your,” etc., and refers to a client engagement involving a single person as well as two or more persons, including legal entities. In addition, the term “advisor” and “adviser” are used interchangeably where accuracy in identification is necessary (i.e., internet address, etc.).

Our firm maintains a Cybersecurity Policy and Business Continuity Plan that is integrated within the organization to ensure it appropriately responds to events that pose significant disruption to its operations. A statement concerning the current plan is available under separate cover.



## Item 4 – Advisory Business

### DESCRIPTION OF THE FIRM

Vestia Advisors, LLC is an Indiana domiciled limited liability company formed in 2017. We frequently operate under the trade names Vestia Personal Wealth Advisors and Vestia Retirement Plan Consultants. For the purpose of this brochure, we utilize Vestia Personal Wealth Advisors or Vestia.

Our advisory firm is a subsidiary of Vestia Holdings, LLC; shares of which are owned by MD Advisory Services, LLC, CDH Financial, LLC, Sahwa Advisory Services, LLC, Abnormal Consulting, LLC, Kabrana, LLC, and 6174 Holdings, Inc. as well as other minority shareholders. Vestia Advisors, LLC does not control another financial industry entity, but our firm is under common control with Vestia Insurance, LLC, Vestia Ventures, LLC, Vestia Contract Negotiation, LLC, and Vestia Brokerage, LLC as noted in Item 10 of this brochure.

Vestia Personal Wealth Advisors' registration as an investment advisor with the United States Securities and Exchange Commission (SEC) occurred during December of 2017. Our firm and its associates may notice-file (register) and/or become licensed or meet certain exemptions to registration and/or licensing within other jurisdictions where investment advisory business may be conducted.

As of December 31, 2021, the Firm manages approximately \$576,816,378 in discretionary assets under management for approximately 556 clients.

### EXECUTIVE SUMMARY OF ADVISORY SERVICES OFFERED

Vestia Personal Wealth Advisors provides customized financial planning, portfolio management, and business consulting services, in addition to educational workshops involving a range of planning and investing topics. Our firm is also available for consultation with retirement plan sponsors, and such details are found in a separate brochure that is made available to interested parties on request. It should be noted that we do not sponsor or serve as portfolio manager involving investment programs using wrapped (bundled) fees.

Prior to engaging us for services, each client will be provided with this Form ADV Part 2A firm brochure that includes a statement involving our privacy policy (Item 11), in addition to a brochure supplement about the representative(s) who will be assisting them. Our services are noted in the following paragraphs of this section ("item"), and their associated fees are stated in Item 5. Our firm will ensure that any material conflicts of interest have been disclosed that could be reasonably expected to impair the rendering of unbiased and objective advice, such as information found in Items 10 through 12 of this Brochure.



If the client wishes to engage our firm for its services, they must first execute a written engagement agreement with our firm. Thereafter further discussion and analysis will be conducted to determine financial need, goals, holdings, etc. Depending on the scope of the engagement, clients may be asked to provide the following information or documentation early in the process:

- An unfiltered understanding of your financial challenges and concerns
- Expectations of what you hope to achieve through our work together
- Wills, codicils and trusts
- Insurance policies
- Loan information
- Tax returns
- Divorce decree or separation agreement
- Current financial specifics including W-2s, 1099s, or K1s
- Information on current retirement plans and benefits provided by an employer
- Statements reflecting current investments in retirement and non-retirement accounts
- Employment contracts or other business agreements
- Corporate financial statements or strategic planning items
- Completed risk profile questionnaires or other forms provided by our firm
- Other items that may have an impact on your financial situation

It is important that clients provide us with an adequate level of information and supporting documentation throughout the term of the engagement, including but not limited to: source of funds, income levels, and an account holder or their legal agent's authority to act on behalf of the account, among other information that may be necessary. This helps us determine the appropriateness of our planning strategies and/or investment recommendations. The information and/or financial statements provided by the client need to be accurate. Our firm may, but we are not obligated to, verify the information provided by a client which will then be used in the advisory process.

Our portfolio investment management services involve the employment of one of our investment strategies as well as either a broad range or more narrowly focused choice of investment vehicles, both of which are further discussed in Item 8 of this brochure. In accordance with Rule 3a-4 of the Investment Company Act, we allow reasonable account constraints that a client may have for their portfolio. However, investment guidelines are designed to be specific enough to provide future guidance while allowing flexibility to work with changing market conditions. Our firm typically manages accounts on a discretionary basis (defined in Item 16) except as it relates to alternative or private investments where advisory services may be offered on a non-discretionary basis where appropriate.



# Vestia Advisory Service Offerings

## VESTIA VUE PROCESS

The Vestia Vue Process allows new or existing clients to work with our personal wealth advisory team to benchmark their current situation against alternatives for potentially achieving greater success. We work with the client to develop a comprehensive *Vestia Vue Action Plan* that considers a broad range of topics depending on the client's specific needs. The desired outcome of this process is an initial financial and/or investment plan that aligns your priorities, uncovers pain points and problems areas, creates organization, and establishes a baseline implementation strategy to bring together multiple areas of your financial life around common objectives. Our overview includes:

- Setting expectations through the Vue Priority Check process (completed with your advisor(s))
- Auditing your current situation to diagnose your opportunities, resources, gaps, and weaknesses (done behind the scenes for you)
- Testing potential solutions for efficiency and fit with your motivators and values (also done behind the scenes)
- Delivering your written Vestia Vue Action Plan designed to coordinate and align all of the above.

Prior to engaging our Firm to provide these services, the client is required to complete the *Vestia Vue Agreement* setting forth the terms and conditions of the engagement (including termination options), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to our Firm commencing services.

The Vestia Vue Process typically takes 1-3 months to complete with timing variances caused primarily by complexity, client responsiveness, and other factors. Concluding the Vestia Vue Process, you will be provided a recommended option for the implementation of your action plan and ongoing services through either the Vestia Complete, Vestia Collaborate, or Vestia On Call ongoing engagements. Concurrently, comprehensive investment management services are available through the Vestia Disciplined Wealth Management and Vestia Emerging Wealth Management platforms. Alternative and private investment options are available through the Vestia Private Capital platform.

To the extent requested by a client, our Firm may provide consulting services regarding matters such as estate planning, tax planning, insurance planning, compensation planning, etc. To the extent requested by a client, our Firm may recommend the services of other professionals for certain implementation purposes (i.e. legal work, tax work, insurance, etc.) including our Firm's representatives or affiliated entities (as discussed throughout this brochure). The



client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from our Firm. It remains the client's responsibility to promptly notify our Firm if there is ever any change in his or her financial situation or investment objectives.

#### **VESTIA DISCIPLINED WEALTH MANAGEMENT**

The Vestia Disciplined Wealth Management platform is a discretionary investment portfolio management platform where we oversee the comprehensive and often complex intertwine of all your investment accounts. Our process focuses on optimizing the long-term interaction of each of your accounts in order to create greater tax efficiency, improve consistency of risk management, and minimize aggregate costs. Access to this platform is typically reserved for clients with at least \$250,000 in accessible investments.

Prior to engaging our Firm to provide these services, the client is required to complete the *Vestia Disciplined Wealth Management Agreement* setting forth the terms and conditions of the engagement (including termination options) and describing the scope of the services to be provided.

#### **VESTIA COLLABORATE**

Vestia Collaborate is an ongoing engagement reserved for high-net worth and/or high-income clients who desire a pro-active and guided experience. We provide a similar broad range of services as those available through our full-service platform with a less customized experience where a client's time and involvement are required more frequently. We remain proactive to make sure key issues are "on your radar," but you absorb more of the work to complete while our firm is available to collaborate and help as needed. The right client for Vestia Collaborate is one who appreciates the idea of having an advisor who intimately knows their situation looking out for their interests but does not desire the same customized level of ongoing support as a Vestia Complete client.

Prior to engaging our Firm to provide these services, the client is required to complete the *Vestia Collaborate Agreement* setting forth the terms and conditions of the engagement (including termination options) and describing the scope of the services to be provided.

#### **VESTIA COMPLETE**

Vestia Complete is an ongoing engagement reserved for a limited number of high-net worth clients who typically have greater than \$5,000,000 in investments under management or incomes greater than \$750,000 per year who desire a personalized experience designed around their specific needs and desires. The right client for this service is one who can afford to have service delivered the way they want it. Availability of this service may be limited at any given time due to our capacity constraints. Vestia Complete includes ongoing oversight of nearly all your financial life and may include investment oversight services, tax-planning and analysis,



estate planning, tax-preparation, risk management planning, negotiation or sourcing of large purchases on your behalf, family consulting, budgeting, planning for specific goals such as education funding, retirement funding, the sale of a business, to other personalized goals.<sup>1</sup> We work with each client to customize an ongoing meeting schedule and a scope of services to be provided. Most importantly, our Vestia Complete clients are entrusting us to do as much of the work as possible without having to take them away from more important priorities.

Prior to engaging our Firm to provide these services, the client is required to complete the *Vestia Complete Agreement* setting forth the terms and conditions of the engagement (including termination options) and describing the scope of the services to be provided.

### **VESTIA ON CALL**

The Vestia On Call approach is available to clients who meet our firm minimum requirements, primarily prefer to handle ongoing wealth management functions on their own, but want the comfort of knowing their portfolio is being overseen by a team of professionals, desire access to our institutional investment approach through the Vestia Disciplined or Emerging Wealth Management platform, and want the comfort of knowing they have an advisor available on call for planning support beyond the scope of their portfolio management agreement. This service is offered to a limited number of clients at any given time to ensure our time is available for Collaborate and Complete clients.

Prior to engaging our Firm to provide these services, the client is required to complete the *Vestia On Call Agreement* setting forth the terms and conditions of the engagement (including termination options) and describing the scope of the services to be provided.

### **VESTIA EMERGING WEALTH MANAGEMENT**

The Vestia Emerging Wealth Management approach is a portfolio management service available to clients who want “smart technology” where they can see their investments in one location, participate in automated portfolio management with the advisor’s guidance, and track their progress all in an intuitive interface. This service is offered to a limited number of clients at any given time to ensure our time is available for Collaborate and Complete clients.

Prior to engaging our Firm to provide these services, the client is required to complete the *Vestia Emerging Wealth Management Agreement* setting forth the terms and conditions of the engagement (including termination options) and describing the scope of the services to be provided.

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<sup>1</sup> Vestia Advisors, LLC does not provide specific legal or tax recommendations. Rather they discuss generalized topics and work with qualified attorneys and accountants for the delivery of legal or tax advice specific to your situation.



### **VESTIA PRIVATE CAPITAL**

Vestia provides access to certain accredited or qualified investors to a lineup of alternative or private investment opportunities that have been curated through multiple channels of access. These assets are sometimes managed through a non-discretionary advisory agreement. This and other arrangements are described further in Item 5.

Prior to engaging our Firm to provide non-discretionary investment management services for alternative or private investments, the client is required to complete the *Vestia Private Capital Agreement* setting forth the terms and conditions of the engagement (including termination options) and describing the scope of the services to be provided.

Vestia Private Capital clients are not required to use any of the firm's other services and retain full discretion over the investments they choose to utilize.

### **VESTIA LEGACY CLIENTS**

Some clients have worked with one or more of our advisory team members prior to the advisor joining Vestia. In order to facilitate the smooth transition of relationships to Vestia Advisors, LLC, we have a legacy client platform available on an as-needed basis.

Prior to engaging our Firm to provide these services, the client is required to complete a customized version of the *Vestia Disciplined Wealth Management Agreement* setting forth the terms and conditions of the engagement (including termination options) and describing the scope of the services to be provided.

### **USE OF SUB-ADVISOR**

For certain client assets, Vestia may outsource all or a portion of the portfolio management to an investment adviser not affiliated with Vestia, who serves as Sub-Advisor. The Sub-Advisor is granted limited discretionary investment authority over assets assigned to it by Vestia. For the assets directed to Sub-Advisor for services, its responsibility includes the authority to:

- exercise discretion to determine the types of securities bought and sold, along with the percentage allocation
- apply its discretion as to when to buy and sell
- apply its discretion as to the timing of transactions
- select the broker-dealer for execution of securities transactions, if appropriate
- take other portfolio management actions the advisor delegates or deems appropriate
- deduct Sub-Advisor fees directly from the custodian account, for which the Sub- Advisor is managing assets



Any authority of the Sub-Advisor only applies to the specific assets, within the Client's custodial account, for which the Sub-Advisor has been appointed as the discretionary manager. Sub-Advisor shall not provide investment advice, or have any advisory responsibility to the Client, beyond the assets for which it is appointed as Sub-Advisor. The terms of services provided by Sub-Advisor are directed in accordance with a separate written agreement entered into between Vestia and them.

We may choose to engage a variety of institutional investment managers to serve as a Sub-Advisor for certain portfolios or client assets. We evaluate a variety of information about Sub-Advisors which may include the independent managers' public disclosure documents, materials supplied by the independent managers themselves as well as other third-party analyses we believe to be reputable. Clients are typically required to maintain a minimum account size to be eligible for these services, and certain investment managers require a higher asset-level to invest in their program. While utilizing a Sub-Advisor our Firm continues to provide investment advisory services to the client relative to ongoing investment monitoring, asset allocation, and client objectives.

Sub-Advisors invest on behalf of accounts in accordance with the strategies set forth in their own disclosure documents which are available to our clients prior to employing their strategies. The Sub-Advisor typically assumes discretionary authority over an account, and most programs are available for clients who prefer an account to be managed under a non-discretionary engagement or whom may have other unique account restrictions. At least annually thereafter, a review will be performed by our firm from both a compliance and performance perspective to determine whether the selected investment manager remains an appropriate fit for the client's portfolio.

When utilizing a Sub-Advisor, our Firm's fees may be collected either in advance or in arrears depending on the specific Sub-Advisor relationship and will be disclosed to the client at the point of entering into the advisory relationship.

#### **EDUCATIONAL WORKSHOPS**

We provide periodic educational seminar sessions for attendees desiring information on personal finance and investing. Topics may include issues related to general financial planning, educational funding, estate planning, retirement strategies, implications involving changes in marital status, and various other current economic or investment topics. Our workshops are educational in nature and do not involve the direct solicitation of insurance or investment products.



## Item 5 - Fees and Compensation

Generally, our Firm charges clients separately for investment management and financial planning services. Many firms do not separate these services, but we believe that leads to lower-complexity and lower-maintenance clients subsidizing the costs of services disproportionately to higher-complexity or higher-maintenance clients.

### FORMS OF PAYMENT ACCEPTED

Forms of payment are based on the types of services being provided, term of service, etc., and will be stated in the client's engagement agreement(s) with our firm. Published fees may be negotiable, and we may waive or discount our fees for our associates and their family members. Our firm reserves the right to deviate from its fee schedule should we deem the circumstances appropriate.

#### *Services where checks and credit cards are accepted*

Fees for the Vestia Vue Process, Vestia On Call hourly services, corporate Complete and Collaborate services are to be paid by check, credit card, or draft from a US-based financial institution. With your prior authorization, payment may be made through an unaffiliated PCI compliant<sup>2</sup> third-party processor, automated clearing house (ACH), or withdrawal from an investment account held at your custodian(s) of record.

#### *Services where checks are not accepted*

With your prior authorization, Vestia Complete (with the exception of corporate Complete clients), Vestia Collaborate (with the exception of corporate Collaborate clients), Vestia Disciplined Wealth Management, Vestia Emerging Wealth Management, Vestia Private Capital, and Vestia On Call platform access fees are to be paid either via ACH or your account held at the custodian(s) of record and are noted in statements received by you from the custodian.

#### *We do not accept cash for services*

Our firm does not accept cash, money orders or similar forms of payment for its engagements. We reserve the right to suspend some or all services once an account is deemed past due as defined within the client's engagement agreement(s).

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<sup>2</sup> For an explanation of the term "PCI," who the PCI Security Standards Council is, as well as its comprehensive standards to enhance payment card data security, please go to [https://www.pcisecuritystandards.org/security\\_standards/index.php](https://www.pcisecuritystandards.org/security_standards/index.php)



## TYPES OF FEES AND PAYMENT SCHEDULES

# Portfolio Management Offerings

### VESTIA DISCIPLINED WEALTH MANAGEMENT PLATFORM

Accounts are assessed an annualized asset-based fee that is paid quarterly, in advance, as indicated in Table 1 below. The fee is calculated by multiplying the quotient by the applicable number of basis points (one basis point equals 1/100 of one percent). The result is then divided by four to determine the quarterly fee. Although we do not have a minimum asset level, we do impose a \$300 minimum fee per quarter for wealth management clients utilizing the Vestia On Call ongoing service model (see below).

*Formula: ((quarter-end market value) x (applicable number of basis points))/4*

**Table 1: Vestia Disciplined Wealth Management Fee Schedule**

Assets Under Management*	Annualized Asset-Based Fee
First \$2,000,000	0.50% (50 basis points)
Above \$2,000,000	0.25% (25 basis points)

\*Our cost is based on a blended tier schedule. For example, an account maintaining \$2.5 million would be assessed 0.50% on the first \$2 million and the remaining \$500,000 would be assessed 0.25%. For the benefit of discounting our asset-based fee, we will aggregate accounts within the same household on the same platform unless instructed by the client not to do so.

Advisory fees will be determined by the reporting account value as of the last market day of each quarter, and in consonance with the statement you will receive from your custodian(s) of record for the purpose of verifying the computation of our advisory fee. In the rare absence of a reportable market value, our firm may either utilize the value of the original deposit or seek a third-party opinion from a recognized industry source (e.g., unaffiliated public accounting firm), and our clients may choose to separately seek such an opinion at their own expense as to the valuation of "hard-to-price" securities if necessary.

The first billing cycle will begin once the client agreement is executed, and account assets have settled into the client's separately identifiable account held by the custodian(s) of record or once held-away account management access has been achieved for accounts being managed on a held-away basis. Fees for partial quarters will be prorated based on the remaining days in the reporting period in which the firm services the account. Fee payments will generally be assessed within the first 10 calendar days of each billing cycle.

The client's written authorization is required in order for the custodian(s) of record to deduct our advisory fee from an account. By signing our firm's engagement agreement, as well as the custodian(s) account opening documents, the client will



be authorizing the custodian(s) to withdraw our advisory fees from the account. The custodian(s) will remit our advisory fees directly to our firm. Fees deducted from the account will be noted on statements that the client receives directly from the custodian(s) of record.<sup>3</sup>

Client assets held in other Vestia investment platforms are excluded from calculation as assets of the Vestia Disciplined Wealth Management platform.

#### **VESTIA EMERGING WEALTH MANAGEMENT PLATFORM**

Accounts are assessed an annualized asset-based fee that is paid quarterly, in arrears. The fee is calculated using the client's daily account balance for the prior quarter multiplied by 0.125% (i.e.,  $0.5 \div 4$ ). The platform fee of charged by MTG, LLC dba Betterment Securities ("Betterment"), the platform, is not included in this total.

$$\text{Formula: } ((\text{quarter-end market value}) \times (.5))/4$$

Advisory fees will be determined by the reporting account value as of the last market day of each quarter, and in consonance with the statement you will receive from your custodian(s) of record for the purpose of verifying the computation of our advisory fee.

The platform fee for Betterment is charged separately by Betterment once a quarter generally equal to 0.25% per annum (.0625% per quarter) of the client's average daily account balance during the period. Accounts are not charged a fee when they are unfunded. The value of the account for fee calculation purposes will be determined by Betterment in accordance with its normal practices and procedures. You authorize such fees to be deducted directly from your Betterment account. The fee is subject to waiver or reduction by Betterment in its sole discretion and is detailed in the required separate agreement between you and Betterment with the respect to Betterment's services and fees. The first billing cycle will begin once the client agreement is executed, and account assets have settled into the client's separately identifiable account held by the custodian(s) of record.

The client's written authorization is required in order for the custodian(s) of record to deduct our advisory fee from an account. By signing our firm's engagement agreement, as well as the custodian(s) account opening documents, the client will be authorizing the custodian(s) to withdraw our advisory fees from the account. The custodian(s) will remit our advisory fees directly to our firm. Fees deducted

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<sup>3</sup> Periodic account value variances between the firm's invoice and custodian statement (beyond the firm's control) may occur due to late trade settlement, dividend distribution, etc., requiring adjusted transaction reporting from the custodian of record.



from the account will be noted on statements that the client receives directly from the custodian(s) of record.<sup>4</sup>

To clarify a potential conflict of interest, it is not our intent that clients stay on the Vestia Emerging Wealth Management platform when their assets exceed \$2 million but we are unable to automatically adjust fees above \$2 million inside of the Betterment platform and therefore do not provide a fee schedule in this brochure.

Client assets held in other Vestia investment platforms are excluded from calculation as assets of the Vestia Emerging Wealth Management platform.

### VESTIA LEGACY CLIENTS

Vestia Legacy accounts may be assessed an annualized asset-based fee that will be determined by the reporting period ending value of the client's account. These fees will be billed in advance per Table 2 below, based on a blended tier, and subject to our firm minimum requirements. Please refer to the Vestia Disciplined Wealth Management platform for details involving payment mode and methods, as well as billing cycles and formula.

**Table 2: Legacy Client Assets Under Management Fee Schedule**

<b>Assets Under Management*</b>	<b>Fee Assessed On</b>	<b>Annualized Asset-Based Fee</b>
Up to \$500,000	First \$500,000	1.25% (125 basis points)
\$500,000 - \$1,000,000	Next \$500,000	1.00% (100 basis points)
\$1,000,000 - \$2,000,000	Next \$1,000,000	0.90% (90 basis points)
\$2,000,000 - \$5,000,000	Next \$3,000,000	0.50% (50 basis points)
Above \$5,000,000	Above \$5,000,000	0.25% (25 basis points)

\*Our cost is based on a blended tier. For example, an account maintaining \$1 million would be assessed 1.25% on the first \$500,000 and the remaining \$500,000 would be assessed 1.00%. For the benefit of discounting our asset-based fee, we will aggregate accounts within the same household on the same platform unless instructed by the client not to do so.

Our firm reserves the right to deviate from this fee range should we deem the circumstances appropriate, but our fee for these legacy clients will not exceed this schedule. Depending on the scope of services to be provided and other factors, some legacy clients will have an additional cost for Vestia Collaborate or Vestia On Call services.

Client assets held in other Vestia investment platforms are excluded from calculation as assets of the Vestia Disciplined Wealth Management platform that contains a legacy fee schedule.

<sup>4</sup> Periodic account value variances between the firm's invoice and custodian statement (beyond the firm's control) may occur due to late trade settlement, dividend distribution, etc., requiring adjusted transaction reporting from the custodian of record.



# Investment Advisory Offerings

## VESTIA PRIVATE CAPITAL PLATFORM

An alternative or private investment is an investment that is more complex in nature than simply owning stocks, bonds, or shares that you can buy and sell based on their current price. Alternative or private investments generally have greater risks, higher fees, and less liquidity than those available through widely accessible public markets. Vestia provides access to certain accredited investors or qualified purchasers to a curated lineup of alternative or private investment opportunities through the Vestia Private Capital platform.

Our intent is to pair our clients up with alternative or private investment opportunities that best meet the client's individual objectives. Due to the extra risks of the alternative or private markets we do not provide discretionary investment management services and therefore clients must be involved anytime we direct assets toward alternative or private investments.

Alternative or private investments have additional risks beyond the traditional equities markets that are further described in Item 8. Vestia also sometimes has conflicts of interest as it arises to these markets as described in Item 10. Working on behalf of clients in the alternative investment markets causes additional costs and risks to Vestia and/or its affiliated companies.

In order to compensate for additional costs and risks of the alternative investment markets, Vestia or its affiliated companies or personnel have different ways of being compensated for participation in these markets.

- **Vestia Private Capital Non-Discretionary Advisory platform** - In cases where no direct compensation is provided from a portfolio company and no commission is received from a broker/dealer, we charge a non-discretionary advisory fee for alternative and private investments. Prior to engaging our Firm to provide these services, the client is required to complete the *Vestia Private Capital Non-Discretionary Advisory Agreement* setting forth the terms and conditions of the engagement (including termination options) and describing the scope of the services to be provided. Through this engagement, clients are assessed an annualized asset-based fee that is paid quarterly, in advance, as indicated in Table 1 below or paid as soon as possible after the normal billing cycle if being paid directly through the capital call structure of an underlying investment. The fee is calculated by multiplying the quotient by the applicable number of basis points (one basis point equals 1/100 of one percent). The result is then divided by four to determine the quarterly fee.



**Table 3: Vestia Private Capital Platform Fee Schedule**

Capital Deposits or Valued Assets*	Annualized Asset-Based Fee
All Assets	1.25% (125 basis points)

Because billing can often be challenging with alternative or private investments where no commission is received, where necessary, we will assign a percentage cost to an entire capital commitment while giving you the benefit of any fee reduction thresholds crossed in acquiring that investment.

Advisory fees and reported values will be determined by the reporting account value as of the last market day of each quarter, and in consonance with the statement you will receive from your custodian(s) of record for the purpose of verifying the computation of our advisory fee. In the absence of a reportable market value (which is frequently the case with alternative or private investments) at our discretion, our firm may rely on the reported value of the underlying portfolio company or private fund, seek a third-party opinion from a recognized industry source (e.g., unaffiliated public accounting firm), or utilize the original deposit amount provided the investment continues to be a going concern. If the reportable value reflects the original deposit(s) made for the investment, or a value estimate from a previous date, the current value(s) (to the extent ascertainable) could be **significantly more or less** than the original deposit. If our clients disagree with our selected approach, they may choose to separately seek such an opinion at their own expense as to the valuation of "hard-to-price" securities if necessary and we will utilize that value for the purpose of determining our fee.

The first billing cycle will begin once the client agreement is executed, and account assets have settled in the account held by the custodian(s) of record. Fees for partial quarters will be prorated based on the remaining days in the reporting period in which the firm services the account. Fee payments will generally be assessed within the first 10 calendar days of each billing cycle. For some private investments, fees will not be assessed until a capital call has been satisfied. In those instances, our Firm may be compensated by a portion of the capital call sufficient to cover any delayed billing.

The client's written authorization is required in order for any custodian(s) of record to deduct our advisory fee from an account. By signing our firm's engagement agreement, as well as the custodian(s) account opening or subscription documents, the client will be authorizing the custodian(s) to withdraw our advisory fees from the account. The custodian(s) will remit our advisory fees directly to our firm. Fees deducted from the account will



be noted on statements that the client receives directly from the custodian(s) of record.

Client assets held in other Vestia investment platforms and alternative or private investments not managed through the Vestia Private Capital platform are excluded from calculation as assets of the Vestia Private Capital platform.

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- Sometimes our affiliated entity, Vestia Ventures, LLC, may take direct equity ownership in or cash compensation from an underlying portfolio company or in a private fund's limited or general partnership for services provided to the Portfolio Company or private fund. We disclose structures such as this in Item 8. When we are compensated through ownership and/or cash from a portfolio company we do not charge clients an additional non-discretionary advisory fee when they participate in the investment. To date, when we are compensated in ownership and/or cash from a private fund we have not charged clients an additional non-discretionary advisory fee. However, we reserve the right to do so in the future where we and the client both agree this is appropriate.
- For some opportunities we gain access to alternative or private investments through personnel of our firm who are registered with an independent broker/dealer. Working in partnership with an independent broker/dealer helps provide important access to investments and due diligence on certain investments for which we may not have internal resources. When alternative investments are placed through a broker/dealer, the broker/dealer pays a commission to the Registered Representative. The Registered Representative is contractually required to assign that compensation back to our affiliated entity, Vestia Brokerage, LLC. When personnel of our firm will receive a commission through their role as a Registered Representative, we do not charge clients an additional non-discretionary advisory fee for their participation in the same investment.

**RISKS:** Alternative and private investments generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency. Unlike liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective investor will be required to complete a subscription agreement (or equivalent), pursuant to which the client will establish that he/she is eligible for investment in the fund and acknowledges and accepts the various risk factors that are associated with such an investment.



# Financial Planning & Consulting Offerings

## VESTIA VUE PROCESS

A fixed cost is agreed upon in advance of the Vestia Vue Process and typically ranges from \$6,000 to \$50,000 depending on your case complexity and other factors. We normally require a deposit of one-half the quoted fee to initiate the engagement, and the remainder will be due upon delivery of your plan/advice. For medical residents or dental students, the majority of this fee is deferred until the professional enters into full-time medical practice.

## VESTIA COLLABORATE

The cost for Vestia Collaborate is determined in advance of services being provided and generally ranges between \$500 to \$5,000 per month depending on the complexity of the client's situation and the scope of services provided, among other factors. The fee is paid to our firm in advance and is due within the first 10 calendar days of each quarter. Please note that this service does not cover the additional work required for our Vestia Disciplined Wealth Management platform. **Clients opting to not use the Vestia Disciplined Wealth Management platform may be charged an extra 50% for Vestia Collaborate services which will be in addition to the fee range listed above.**

## VESTIA COMPLETE

The Vestia Complete cost is determined in advance of services being provided, and generally ranges between \$1,000 to \$12,000 per month depending on the complexity of the client's situation, the scope of services provided, the client's expectations of our availability, and other factors. The fee is paid to our firm in advance and is due within the first 10 calendar days of each quarter. Please note that this service does not cover the additional work required for our Vestia Disciplined Wealth Management, Vestia Private Capital, or any other Vestia platforms. **Clients opting to not use the Vestia Disciplined Wealth Management platform may be charged an extra 50% for Vestia Complete which will be in addition to the fee range listed above.**

## VESTIA ON CALL

The Vestia On Call service cost ranges from \$100-\$500 per hour depending on services needed and the team member providing them. As a reactive service platform, Vestia On Call clients get less priority access for meeting availability and after-hours appointments compared to Vestia Collaborate or Vestia Complete clients who are paying for proactive service.

## EDUCATIONAL WORKSHOPS

While certain seminars may be complimentary, workshop attendees may be assessed a fee up to \$50 per participant. Sessions may be paid by an event sponsor, such as an employer or an association. The workshop fee, if any, will be announced in advance and will be determined by the length of the event, the number and expertise of the presenters involved, and whether or not educational



materials are being provided. Payment will be due on or prior to the first day of the scheduled workshop.

### **ADDITIONAL CLIENT COSTS**

Advisory fees paid to our firm by our clients for our services are separate from any internal fees involving mutual funds as outlined in their prospectus, including, but not limited to 12b-1 fees, expense ratios, etc., exchange-traded funds (ETFs), exchange-traded notes (ETNs), or other similar investments.

Any transactional or service fees (sometimes termed brokerage fees), sub-advisor fees, individual retirement account fees, qualified retirement plan fees, account termination fees, or wire transfer fees will be borne by the account holder and per the separate fee schedule of the custodian(s) of record. Additional information about our fees in relationship to our brokerage and operational practices are referenced in Items 12 and 14 of this document.

Clients can engage certain persons associated with the Firm (but not the Firm directly) to render securities brokerage services under a separate commission-based arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with the Firm.

Under this arrangement, the Firm's Supervised Persons, in their individual capacities as registered representatives of Ausdal Financial Partners. ("Ausdal") or The Securities Group, Inc., dba Mammoth Research ("Securities Group"), may provide securities brokerage services and implement securities transactions under a separate commission-based arrangement. Supervised Persons may be entitled to a portion of the brokerage commissions paid to either Broker-Dealer, as well as a share of any ongoing distribution or service (trail) fees from the sale of mutual funds. Ausdal or The Securities Group may also recommend no-load or load-waived funds, where no sales charges are assessed. Prior to effecting any transactions, clients are required to enter into a separate account agreement with the appropriate Broker-Dealer.

Vestia Personal Wealth Advisors does not receive "trailer" or SEC Rule 12b-1 fees from an investment company that may be recommended to a client. Fees charged by such issuers are detailed in prospectuses or product descriptions and interested investors are always encouraged to read these documents before investing. Our firm and its associates receive none of these described or similar fees or charges.

Our clients always have the right to purchase recommended or similar investments or insurance products through a provider of their choice.

### **ACCOUNT ADDITIONS AND WITHDRAWALS**

Clients may make additions to and withdrawals from a discretionary asset management account at any time, subject to available liquidity and the Firm's right



to terminate an account. If assets in excess of \$10,000 are deposited into or withdrawn from a discretionary account after the inception of a billing period, the fee payable with respect to such assets is adjusted to reflect the interim change in portfolio value. For the initial period of an engagement, the fee is calculated on a pro rata basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

### **PORTFOLIO ACTIVITY**

Our firm has a fiduciary duty to provide services consistent with the client's best interest. As part of our Firm's portfolio management services, our Firm reviews client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, market conditions, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods where our Firm determines that changes to a client's portfolio are neither necessary nor prudent. Our firm's Disciplined or Emerging Wealth Management advisory fee remains payable during periods of account inactivity.

### **TERMINATION OF SERVICES**

Either party may terminate our relationship according to the terms agreed upon by our signed engagement(s) by communicating their intent to terminate in writing to the other party. Our firm will not be responsible for investment allocation, advice or transactional services (except for limited closing transactions) upon receipt of a termination notice related to a wealth management engagement. It will also be necessary that we inform the custodian of record that the relationship between parties has been terminated.

Once notified of a termination related to discretionary or non-discretionary investments, we will take no further action on the account. If you elected to participate in the Vestia Private Capital Non-Discretionary Advisory platform, you agree to pay a termination fee to us in the amount equal to 1% of your total capital commitment to all alternative or private investment funds on the platform. We negotiate where possible for lower fees and investment minimum requirements with alternative and private investment funds and you may be subjected to higher fees, increased capital commitments, or other costs imposed by the fund sponsor if you terminate your advisory relationship with us.

If a client did not receive our Form ADV Part 2 firm brochure prior to entering into the firm's agreement, then that client will have the right to terminate the engagement without fee or penalty within five business days after entering into the agreement. If a client terminates an hourly planning service after this five business-day period, the client will be assessed fees at the hourly rate stated in



their agreement for any time incurred in the preparation of their analysis or plan. If an educational workshop attendee or sponsor cancels within 24 hours of the first session, fees are normally not subject to a refund due to operational costs borne by our firm, but we will typically credit the fee toward a future educational session presented by our firm. When a fixed fee or asset-based fee client terminates their agreement after the five business-day period, the client will be assessed fees on a per-day prorated basis for services incurred from either (i) as a new client, the date of the engagement to the date of the firm's receipt of the written notice of termination, or (ii) all other accounts, the last billing period to the date of the firm's receipt of written termination notice. Our firm will return any prepaid, unearned fees within 30 days of the firm's receipt of termination notice. Earned fees in excess of a client's deposit will be billed at the time of termination.

## **Associated and Affiliated Entity Offerings**

Vestia personnel are associated with several affiliated entities that seek to enhance our client experience with additional and optional services that are available outside of our registered advisory services.

### **VESTIA INSURANCE, LLC**

Vestia Insurance, LLC is a licensed insurance brokerage agency that provides non-variable/fixed insurance brokerage and referral services for certain advisory clients of Vestia. Some supervised personnel of our Firm are also licensed insurance agents who represent our insurance agency. No advisory client is obligated to use the services of our affiliated insurance agency or agents.

### **VESTIA BROKERAGE, LLC**

Vestia Brokerage, LLC is an affiliated entity that participates in expense sharing with our other affiliated entities and is funded by our personnel who are also Registered Representatives of a registered broker/dealer. No advisory client is obligated to use the services of our personnel who are also Registered Representatives.

### **VESTIA CONTRACT NEGOTIATION, LLC**

Vestia Contract Negotiation, LLC is an affiliated contract negotiation entity that helps physicians, dentists, and other executives negotiate their employment contracts. This entity also helps businesses to establish competitive contract structures in order to attract and retain top talent. No advisory client is obligated to use the services of our affiliated contract negotiation entity.

### **VESTIA VENTURES, LLC**

Vestia Ventures, LLC is an affiliated consulting and management firm that provides services in exchange for cash, equity, or both. Clients of Vestia Personal Wealth Advisors do not directly compensate Vestia Ventures, LLC for services, however,



Vestia Ventures, LLC may receive cash or equity compensation in exchange for services provided to businesses or funds in which Vestia Personal Wealth Advisors' clients elect to invest through the Vestia Private Capital platform or through the Mammoth Research, LLC platform. Additionally, Vestia Ventures, LLC will be compensated with a percentage of the recovery earned by Vestia Personal Wealth Advisors clients or client's entities for utilization of the research and development tax planning consulting services provided by American Incentive Advisors LLC. No advisory client is obligated to invest in any of the investments made available through the Vestia Private Capital platform or the Mammoth Research, LLC platform.

#### **HELD AWAY METHOD, LLC**

Held Away Method, LLC is an affiliated entity that owns and may license intellectual property. Clients of Vestia Personal Wealth Advisors do not compensate Held Away Method, LLC.

#### **MAMMOTH INVESTORS, LLC**

Mammoth Investors, LLC owns Mammoth Scientific, LLC and Mammoth Research, LLC. Mammoth Scientific, LLC is in the process of filing to become an Exempt Reporting Advisor that manages certain Reg D investments in the affiliated Mammoth Private Capital, LLC family of funds. Mammoth Research, LLC is a private investment matchmaking platform in the process of filing to become a registered Broker/Dealer. Vestia Ventures, LLC owns a minority interest in Mammoth Investors, LLC and other Vestia personnel individually, or through entities under control by Vestia personnel have additional ownership in Mammoth Investors, LLC and will have ownership in the Mammoth Private Capital funds. Clients accessing investments through the Mammoth Research, LLC platform or investing in venture capital funds managed by Mammoth Scientific, LLC may indirectly compensate Vestia Personal Wealth Advisors personnel due to their ownership in Vestia Ventures, LLC or their ownership in Mammoth Investors, LLC. No advisory client is obligated to invest in any of the investments made available through the Mammoth entities described above.

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

Our firm's advisory fees will not be based on a share of capital gains or capital appreciation (growth) of any portion of managed funds, also known as performance-based fees. Our fees will also not be based on side-by-side management, which refers to a firm simultaneously managing accounts that do pay performance-based fees (such as a hedge fund) and those that do not.



## Item 7 - Types of Clients

Our firm is available to serve individuals and high net worth individuals, foundations and charitable organizations, businesses of all size, in addition to retirement plans (under separate brochure and agreement). Please refer to Item 4 for information involving services requirements. We reserve the right to decline services to any prospective client for any nondiscriminatory reason.

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

### INVESTMENT STRATEGY

Vestia Personal Wealth Advisors relies on an investment philosophy that is founded on evidence-based academic research, such as Modern Portfolio Theory and the Fama-French Factor Model, and established discoveries in behavioral finance. Modern Portfolio Theory advocates that it is not enough to look at the expected risk and return of one particular asset class. By investing in more than one asset class, an investor may be able to reap the benefits of diversification – most importantly, a reduction in the risk level of the portfolio. The Fama-French Factor Model, through research, found that over long periods of time, value stocks tend to outperform growth stocks, and, similarly, small cap stocks tend to outperform large cap stocks, and equities tend to outperform fixed income securities, among other factors.

The Vestia Disciplined Wealth Management and Vestia Emerging Wealth Management philosophy is based on these basic principles:

- Develop well diversified portfolios that feature a broad range of market sectors and asset classes
- Use market-based investments, not manager-based investments unless it is deemed appropriate for your portfolio to have a portion invested in private equity, private business ownership, or private real estate
- Hold the investments for a long period of time
- Periodically reallocate the investments as conditions warrant
- Strategically rebalance the portfolio as needed to maintain the desired level of risk exposure
- Our process focuses on optimizing the long-term interaction of each of your accounts in order to create greater tax efficiency, improve consistency of risk management, and minimize aggregate costs.

The Vestia Disciplined Wealth Management and Vestia Emerging Wealth Management platforms are diversified and invest primarily in no-load mutual funds and ETFs. The Vestia Private Capital platform provides investment access to clients primarily for alternative and or private investments and private special purpose



vehicles. These investments are typically not liquid, not well-diversified and expenses are usually greater than those of our disciplined and emerging wealth management platforms. No approach can ensure investment success or prevent loss in a declining market. Past performance is no guarantee of future results.

#### **METHODS OF ANALYSIS AND INVESTMENT SELECTION**

Based on the *Vestia Disciplined Wealth Management Agreement* that clients execute, Vestia Personal Wealth Advisors is granted discretionary authority to implement client-approved investment strategies. Investments are selected based on past performance (as applicable), portfolio turnover, fees and a variety of academic statistics including volatility, price movement, risk-adjusted return, etc. These statistics are provided by third-party vendors and the investment sponsors and are evaluated by our portfolio manager as well as our investment committee, on both an absolute and a relative basis, while relying on standards set by Vestia Personal Wealth Advisors.

#### **RISK OF LOSS**

Our firm believes its strategies and investment recommendations are designed to produce the appropriate potential return for the given level of risk; however, there is no guarantee that a planning goal or investment objective will be achieved. Past performance is not indicative of future results. Investing in securities involves risk of loss that clients should be prepared to bear. While the following list is not exhaustive, we provide some examples of such risk in the following paragraphs, and we believe it is important that our clients review and consider each prior to investing.

##### ***Active Investment Management***

A portfolio that employs active management strategies may, at times, outperform or underperform various benchmarks or other strategies. In an effort to meet or surpass these benchmarks, active portfolio management may require more frequent trading or “turnover.” This may result in shorter holding periods, higher transactional costs and/or taxable events generally borne by the client, thereby potentially reducing or negating certain benefits of active asset management. The Firm takes the best interest of the client(s) into consideration when employing an active investment management strategy.

##### ***Company Risk***

When investing in securities, such as stocks, there is always a certain level of company or industry-specific risk that is inherent in each company or issuer. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. This is also referred to as unsystematic risk and can be reduced or mitigated through diversification.



### ***Currency Risk***

The risk of loss from fluctuating foreign exchange rates when a portfolio has exposure to foreign currency or in foreign currency traded investments is known as currency risk.

### ***Equity (Stock) Risk***

Common stocks are susceptible to general stock market fluctuations and to volatile increases or decreases in value as market confidence in and perceptions of their issuers change. If an investor held common stock or common stock equivalents of any given issuer, they may be exposed to greater risk than if they held preferred stocks and debt obligations of the issuer.

Preferred stocks can be affected by interest rate and liquidity risks (described in adjacent paragraphs). Also note that their dividend payment is not guaranteed; some are subject to a call provision, meaning the issuer can redeem its preferred shares on demand, and usually when interest rates have fallen.

### ***ETF/ETN and Mutual Funds Risk***

The risk of owning ETFs/ETNs and mutual funds reflect their underlying securities (e.g., stocks, bonds, derivatives, etc.). These forms of securities typically carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees. Certain ETFs and indexed funds have the potential to be affected by "active risk;" a deviation from its stated index (e.g., S&P 500).

While many ETFs/ETNs and index mutual funds are known for their potential tax-efficiency and higher "qualified dividend income" (QDI) percentages, there are asset classes within these investment vehicles or holding periods within that may not benefit. Shorter holding periods, as well as commodities and currencies (that may be a holding within an ETF/ETN or mutual fund), may be considered "non-qualified" under certain tax code provisions. A holding's QDI will be considered when tax-efficiency is an important aspect of the client's portfolio.

Leveraged and/or inverse ETFs attempt to achieve multiples of the performance of an index or benchmark through the opposite (inverse) of the performance of the tracked index or benchmark. This strategy attempts to profit from, or hedge exposures to, downward drifting markets. There is risk involving this strategy and part of the concern is based on the fact that leveraged and inverse exchange traded funds "reset" daily, which means they are designed to achieve their stated objectives on a daily basis. It is due to the compounding effect of daily adjustments that ETF performance over longer periods of time can differ significantly from the performance (or inverse of the performance) of an underlying index or benchmark during the same period. This effect can be magnified during volatile markets. If effects contrary to the ETF strategy occur, losses may be significant; therefore, leveraged and/or inverse ETFs will be considered for portfolios either properly



hedged or for clients able to sustain potentially higher risks. Leveraged and inverse ETFs will not be used in portfolios where a "buy-and-hold" philosophy is important.

### ***Failure to Implement Risk***

Our planning clients are free to accept or reject any or all of the recommendations made to them. While no advisory firm can guarantee future performance, no plan can succeed if it is not implemented. Clients who choose not to take the steps recommended in their plan may face an increased risk that their stated goals and objectives will not be achieved.

### ***Financial Risk***

Excessive borrowing to finance a business operation increases profitability risk 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.

### ***Fixed Income Risks***

Various forms of fixed income instruments, such as bonds, money market or bond funds may be affected by various forms of risk, including:

#### ***Credit Risk***

The potential risk that an issuer would be unable to pay scheduled interest or repay principal at maturity, sometimes referred to as "default risk." Credit risk may also occur when an issuer's ability to make payments of principal and interest when due is interrupted. This may result in a negative impact on all forms of debt instruments, as well as funds or ETF share values that hold these issues. Bondholders are creditors of an issuer and have priority to assets before equity holders (i.e., stockholders) when receiving a payout from liquidation or restructuring. When defaults occur due to bankruptcy, the type of bond held will determine seniority of payment.

#### ***Interest Rate Risk***

The risk that the value of the fixed income holding will decrease because of an increase in interest rates.

### ***Reinvestment Risk***

With declining interest rates, investors may have to reinvest interest income or principal at a lower rate.

### ***Fundamental Analysis***

The challenge involving fundamental analyses is that information obtained may be incorrect; the analysis may not provide an accurate estimate of earnings, which may be the basis for a security's value.

If a security's price adjusts rapidly to new information, a fundamental analysis may result in unfavorable performance.



### ***Inflation Risk***

Also called purchasing power risk, is the chance that the cash flows from an investment won't be worth as much in the future because of changes in purchasing power due to inflation.

### ***Liquidity Risk***

The inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. While certain types of fixed income are generally liquid (i.e., bonds), there are risks which may occur such as when an issue trading in any given period does not readily support buys and sells at an efficient price. Conversely, when trading volume is high, there is also a risk of not being able to purchase a particular issue at the desired price.

### ***Market Risk***

This is also called systemic risk. In cases where markets are under extreme duress, many securities lose their ability to provide diversification benefits.

### ***Master Limited Partnerships Risk***

Investing in MLPs involve certain risks related to investing in their underlying assets, as well as the risks associated with pooled investment vehicles (certain pooled investments may be less regulated than others). In addition, MLPs that concentrate in a particular industry or a particular geographic region are subject to risks associated with the specific industry or region. A potential benefit derived from a MLP is also dependent on the holding being treated as a partnership for federal income tax purposes; if part or all of the MLP is not, it may have potential adverse tax effects on a portfolio.

### ***Options Risk***

Risks involving options trading are detailed in the Chicago Board Options Exchange's "The Characteristics and Risks of Standardized Options" brochure that we will provide to you upon request or may be found at their website at: <http://www.cboe.com>. We have provided general considerations involving options in the following statements.

#### ***Option Buyer's Risks***

- The risk of losing the entire investment in a relatively short period of time
- The risk of losing the entire investment increases as an option goes out of the money and as expiration nears
- European style options that do not have secondary markets in which to sell options prior to expiration only realize their value upon expiration
- Specific exercise provisions of a specific option contract may create enhanced risk



- Regulatory agencies may impose exercise restrictions, which may deter the investor from realizing value

#### *Option Seller's Risks*

- Options sold may be exercised at any time before expiration
- Covered call traders forgo the right to profit when the underlying stock rises above the strike price of the call options sold and continues to risk a loss due to a decline in the underlying stock
- Writers of "naked call write" risk unlimited losses if the underlying stock rises; the writer of "naked put write" risk unlimited losses if the underlying stock drops. The writer of naked positions run margin risks if the position goes into significant losses which may include liquidation by the broker/dealer of record. In addition, the writer of a "naked call write" is obligated to deliver shares of the underlying stock if those call options are exercised. Our firm does not execute uncovered ("naked") options strategies.
- Writers of call options can lose more money than a short seller of that stock on the same rise on that underlying stock due to leveraging used in option strategies
- Call options can be exercised outside of market hours such that effective remedy actions cannot be performed by the writer of those options
- Writers of stock options are obligated under the options that they sold even if a trading market is not available or that they are unable to perform a closing transaction
- The value of the underlying stock may unexpectedly surge or drop which may lead to an automatic exercise
- Passive Investing
- A portfolio that employs a passive, efficient markets approach has the risk of generating lower-than-expected returns due to its broad diversification when compared to a portfolio more narrowly focused.

#### *Political Risk*

The risk of financial and market loss because of political decisions or disruptions in a particular country or region and may also be known as "geopolitical risk."

#### *Tax Harvesting Risk*

One trading strategy employed in client accounts is tax harvesting. The intent of this trade is to sell an asset at a taxable loss and replace that position with a holding whose historical performance and expected future performance are similar, thereby having little impact on the overall strategic allocation, but capturing the tax loss. Because past performance is no indication of future performance, there is potential for the future performance of the replacement position to deviate from that of the initial holding. This type of strategy may also incur an increase in the frequency of trading and amount of transaction costs.



### ***Private Placements Risk***

Private placements (aka private investments or private investment funds) are unregistered securities and generally involve various risk factors, including, but not limited to: Potential for complete loss of principal, liquidity constraints and lack of transparency. A discussion of these risks is stated in each private placement offering document, which will be provided in advance to the client for review and consideration. Unlike liquid investments, private investment funds do not provide daily liquidity or pricing. In the event that the firm references private investment funds owned by the client in any supplemental reports prepared by the firm, the values for private investment funds will reflect either the initial purchase and/or the most recent valuation provided by the private fund sponsor. If the valuation reflects the initial purchase price (and/or a value as of a previous date), the current value, to the extent ascertainable, could be significantly more or less than the original purchase price.

Associates of Vestia Advisors, LLC provide investment advice regarding private placements which may or may not include any of the foregoing private placements. The firm and its principals or affiliates do not solicit purchases of shares it/they may directly own (e.g., selling out of its "inventory"). The Firm's role relative to private placements is limited to initial and ongoing due diligence and investment monitoring.

Clients are under no obligation to consider or make an investment in any private placement we recommend for thoughtful consideration.

### ***Real Estate Investment Trusts Risk***

Risks involved in REIT investing may include (i) following the sale or distribution of assets an investor may receive less than their principal invested, (ii) a lack of a public market in certain issues, (iii) limited liquidity and transferability, (iv) fluctuations involving the value of the assets within the REIT, (v) a reliance on the investment manager to select and manage assets, (vi) changes in interest rates, laws, operating expenses, and insurance costs, (vii) tenant turnover, and (viii) the impact of current market conditions.

### ***Alternative and Private Investments Risk in General***

Alternative and private investments generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency. Unlike liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective investor will be required to complete a subscription agreement (or equivalent), pursuant to which the client will establish that he/she is eligible for investment in the fund and acknowledges and accepts the various risk factors that are associated with such an investment.



### ***Research Data Risk***

When research and analyses are based on commercially available software, rating services, general market and financial information, or due diligence reviews, a firm is relying on the accuracy and validity of the information or capabilities provided by selected vendors, rating services, market data, and the issuers themselves. While our firm makes every effort to determine the accuracy of the information received, we cannot predict the outcome of events or actions taken or not taken, or the validity of all information researched or provided which may or may not affect the advice on or investment management of an account.

### ***Technical Analysis Risk***

The risk of investing based on technical analyses is that it may not consistently predict a future price movement; the current price of a security may reflect all known information. This may occur due to analyst bias or misinterpretation, a sector analysis error, late recognition of a trend, etc.

## **Item 9 - Disciplinary Information**

Neither the firm nor its management has been involved in a material criminal or civil action in a domestic, foreign or military jurisdiction, an administrative enforcement action, or self-regulatory organization proceeding that would reflect poorly upon our offering advisory business or its integrity.

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

Firm policies require associated persons to conduct business activities in a manner that avoids conflicts of interest between the firm and its clients, or that may be contrary to law. Our firm will provide disclosure to each client prior to and throughout the term of an engagement regarding any conflicts of interest involving its business relationships that might reasonably compromise its impartiality or independence.

### **NOT A FINRA OR NFA REGISTERED FIRM**

Our firm is not registered nor has an application pending to register as a Financial Industry Regulatory Authority (FINRA) or National Futures Association (NFA) member. We are not required to be registered with such entities, nor do they supervise our firm or its activities. Neither the firm nor its management is or currently has a material relationship with any of the following types of entities:

- accounting firm or accountant
- bank, credit union or thrift institution, or their separately identifiable departments or divisions



- lawyer or law firm
- real estate broker, dealer or advisor
- trust company

### **PERFORMANCE REPORTING TECHNOLOGY**

Vestia Advisors, LLC has contracted Advent Software, LLC, acting through its Black Diamond Performance Reporting division, ("Black Diamond") in order to utilize its technology platforms to support data reconciliation, performance reporting, fee calculation and billing, research, client database maintenance, quarterly performance evaluations, payable reports, web site administration, models, trading platforms, portfolio rebalancing and risk monitoring, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement Black Diamond will have access to client accounts, but Black Diamond will not serve as an investment advisor to Vestia Personal Wealth Advisors client. Vestia Personal Wealth Advisors and Black Diamond are non-affiliated companies. Clients are urged to carefully review and compare account statements that they have received directly from their custodian of record with any report they may receive from our Firm or any other source, including Black Diamond that contains investment performance information.

### **Conflicts of Interest**

We believe it is impossible for financial firms to escape all conflicts of interest. Sometimes delivering what we believe serves our clients better involves having some conflicts of interest along the way. We believe the disclosure of our conflicts to follow helps clients to navigate and manage them. We also put measures in place throughout our firm and affiliated companies to minimize conflicts where we believe appropriate while allowing us to still deliver the services that make our Firm and affiliated businesses work well together for our client's benefit. At all times we take our fiduciary duty and professional responsibility very seriously and always endeavor to accomplish what is in your best interest as a client.

### **VESTIA DISCIPLINED WEALTH AND VESTIA EMERGING WEALTH PLATFORMS**

For accounts with less than \$240,000, the Vestia Emerging Wealth Management platform is less expensive than the Vestia Disciplined Wealth Management platform. Due to the digital nature of the Emerging Wealth Management platform, we do not charge a minimum quarterly fee to use our Betterment platform. However, we charge a minimum quarterly fee of \$300/quarter for our more hands-on Discipline Wealth Management platform. This means that accounts under \$240,000 pay more for our more hands-on management than they do for our more digital solution. Therefore, for accounts of less than \$240,000 we have a conflict of interest whereby we will earn more compensation by recommending one platform over another.

This conflict works nearly in reverse for accounts over \$240,000. Accounts over \$240,000 in the Emerging Wealth Management platform require less hands-on work and participation from our team. Therefore, although our cost is the same for



either platform for assets of \$240,000 to \$2,000,000, it costs us less money to operate, and we have a conflict of interest when recommending assets stay on the Emerging Wealth Management platform. Further, due to a lack of flexibility in Betterment's systems, we currently have no way to program fee reductions for household accounts that exceed \$2,000,000. In our Disciplined Wealth Management platform, those households receive a fee reduction of .25%, whereas this reduction is not available for householded accounts in excess of \$2,000,000 in the Emerging Wealth Management platform. Therefore, there is an additional conflict of interest anytime households with accounts combining over \$2,000,000 remain in our Emerging Wealth Management platform.

At all times we take our fiduciary duty and professional responsibility very seriously and endeavor to accomplish what is in your best interest as a client.

#### **REGISTERED REPRESENTATIVES OF A BROKER-DEALER**

Certain of the Firm's Supervised Persons are registered representatives of either Ausdal Financial Partners ("Ausdal") or The Securities Group, Inc., dba Mammoth Research ("Securities Group"), and may provide clients with securities brokerage services under a separate commission-based arrangement. This arrangement is described at length in Item 5. This arrangement allows Vestia's Supervised Persons to offer certain qualified clients trading services, which gives the Firm the ability to execute trades of client assets custodied at a qualified custodian as defined in Item 12. Although each Broker-Dealer also offers a Registered Investment Adviser, Vestia's Supervised Persons are only registered as Registered Representatives at Ausdal or The Securities Group.

A conflict of interest exists to the extent that the Firm recommends the purchase or sale of securities where its Supervised Persons receive commissions or other additional compensation as a result of the Firm's recommendation. The Firm has procedures in place to ensure that any recommendations made by such Supervised Persons are in the best interest of clients. For certain accounts covered by the Employee Retirement Income Security Act of 1974 ("ERISA") and such others that the Firm, in its sole discretion, deems appropriate, the Firm may provide its investment advisory services on a fee-offset basis. In this scenario, the Firm may offset its fees by an amount equal to the aggregate commissions and 12b-1 fees earned by the Firm's Supervised Persons in their individual capacities as registered representatives of Ausdal or The Securities Group. Clients are never obligated to or required to purchase products from our affiliated Registered Representatives and may choose any Broker/Dealer from which to purchase products.

At all times we take our fiduciary duty and professional responsibility very seriously and endeavor to accomplish what is in your best interest as a client.



## **SUB-ADVISOR COMPENSATION**

The Sub-Advisors that we may recommend to our clients as part of our Disciplined or Emerging Wealth platforms are required to be registered as an investment advisor. There is the potential for clients' fees assessed via these engagements to be higher than had a client obtained them directly from the Sub-Advisor or the client were able to purchase similar underlying investments on their own. Clients are encouraged to review all of our offerings and their stated fees, and each client has the right to purchase recommended or similar investments through their own provider. It should be noted that often Sub-Advisor and/or underlying investments may not be available to self-directed investors or at the same cost.

A conflict of interest exists when Sub-Advisors provide separate non-fiduciary services to Vestia as an incentive for assets placed on their platform(s). For example, Vestia utilizes Finlife Partners' technology and client platform for the delivery of certain financial planning functions for our clients. Due to Goldman Sachs' ownership of the Finlife technology, if Vestia refers greater than the required threshold(s) in client assets to United Capital and/or Goldman Sachs' Sub-Advisor services, then Vestia's fee for the Finlife technology platform will be reduced. To date we have not placed any client assets through the Goldman Sachs platform.

For our clients' accounts that Betterment Securities maintains, Betterment Securities does not charge clients separately for custody/brokerage services but is compensated as part of the Betterment for Advisors (defined below) platform fee, which is charged for a suite of platform services, including custody, brokerage, and sub-advisory services provided by Betterment and access to the Betterment for Advisors platform. The platform fee is an asset-based fee charged as a percentage of assets in the client's Betterment account. Clients utilizing the Betterment for Advisors platform may pay a higher aggregate fee than if the investment management, brokerage and other platform services are purchased separately.

When a Sub-Advisor is utilized, we may benefit from less hands-on work being required of our Personnel. This creates a conflict of interest when a Sub-Advisor is utilized or recommended at the same cost as when we manage investments internally. We seek to minimize this conflict by being strategic and intentional about the Sub-Advisors that we utilize for specific client situations.

At all times we take our fiduciary duty and professional responsibility very seriously and endeavor to accomplish what is in your best interest as a client.

## **INSURANCE AGENCY**

Associates of the firm may also be licensed insurance agents that are appointed with various unaffiliated insurance carriers via our affiliated insurance agency, Vestia Insurance, LLC doing business as Vestia Insurance Services and Vestia Benefit Solutions. Vestia Personal Wealth Advisors does not receive a referral fee



from our insurance agency. For products that we do not offer through our agency, our agency may receive compensation for referring clients to a preferred resource who handles those products. At no time will there be tying between business practices and/or services; a condition where a client or prospective client would be required to accept one product or service which is conditional upon the selection of a second, distinctive tied product or service.

When a client purchases an insurance policy (i.e., fixed annuity, life insurance policy, disability insurance policy, property/casualty insurance policy, etc.), a commission is normally paid to both an insurance agency and an insurance agent. Anytime a commission is involved a conflict of interest exists. We have intentionally structured our firm to reduce this conflict of interest by not paying any direct commissions to individuals for insurance business recommended and by requiring that any agent agree to and acknowledge they are not allowed to receive commissions from any insurance provider while affiliated with our firm. Instead of paying commissions to an agent, compensation is paid by the insurance company to our affiliated insurance agency, Vestia Insurance, LLC. While the agent is not paid a direct commission, our holding company, insurance agency affiliate, as well as our firm personnel benefit from this arrangement since revenue earned from this business activity may be used to offset operating expenses, provide shareholder distributions, etc. Clients are never obligated to or required to purchase products from our affiliated insurance agency and may choose any independent insurance agent and insurance company to purchase insurance products.

At all times we take our fiduciary duty and professional responsibility very seriously and endeavor to accomplish what is in your best interest as a client.

#### **ALTERNATIVE AND PRIVATE INVESTMENTS**

Our fee schedule for non-discretionary assets managed through the Vestia Private Capital platform has a greater cost than our fee schedule for the Disciplined and Emerging Wealth Management platforms. We charge a higher fee because providing access to private and alternative investments requires significantly greater resources and risk from our Firm. Although moving assets to Vestia Private Capital is a non-discretionary decision that requires your prior approval, if you move assets from a different asset management platform to the Vestia Private Capital platform, we earn more compensation. Additionally, assets on one platform do not generally count toward the combined asset levels of another platform and this means that in addition to a larger asset management fee, if you place assets on the Vestia Private Capital platform you may also potentially be foregoing a fee reduction that could have been available to you from another platform. Therefore, we have a conflict of interest when making the Vestia Private Capital platform available for you anytime you could have a lower fee by keeping your assets in a different asset management platform.



Vestia Holdings, LLC and or one or more of its principals and or affiliates has acquired ownership in the private investments LOUD Capital, LLC, MiRus, LLC, Vestia Ventures MiRus Investment, LLC (“VVMi”), Vestia MiRus QP Investment, LLC (“VMQP”), Mammoth Investors, LLC, Mammoth Scientific, LLC, Mammoth Research, LLC, Larson Capital Funds I-IV. As stated above, Firm policies require associated persons to conduct business activities in a manner that avoids conflicts of interest between the firm and its clients, or that may be contrary to law. Our associates will provide disclosure to each client prior to and throughout the term of an engagement regarding any conflicts of interest involving its business relationships that might reasonably compromise its impartiality or independence.

Specific to LOUD Capital, LLC, Vestia Ventures, LLC, an affiliate of the Firm, was granted equity in exchange for consulting services provided and may receive carry-forward interest or profit distributions as a minority interest holding Member of the General Partnership of this entity and participant in its underlying funds.

VVMi and VMQP are Special Purpose Vehicles (“SPVs”) formed for the sole purpose of investing in promissory notes issued by MiRus, LLC, a medical device company located in Marietta, Georgia. Vestia Ventures, LLC, an affiliate of the firm, is the Managing Member of these private SPVs established to invest in debt and/or equity of MiRus, LLC, and has ownership interest in MiRus, LLC preferred stock. Conflicts may arise in that Vestia Ventures, LLC was granted the preferred stock in MiRus under a Professional Services Agreement between Ventures and MiRus, whereby Vestia Ventures, LLC agreed to provide services such as public relations with the business and medical communities, introduce potential investors to investments in MiRus, provide investor administration services, consult for the business on financial/banking related matters, and serve as a managing member to the Special Purpose Vehicles. Custody of the promissory note is described in Item 15 – Custody.

Mammoth Investors, LLC owns Mammoth Scientific, LLC, an entity in process of filing as an Exempt Reporting Advisor that manages venture capital funds. Mammoth Investors, LLC owns Mammoth Research, LLC, a private investment matchmaking entity in process of filing as a Broker/Dealer. Mammoth Investors, LLC is owned in part by Vestia personnel or entities under the control of Vestia personnel. Therefore, Vestia personnel have a conflict of interest when recommending any Mammoth offerings to clients since some Vestia personnel may directly or indirectly benefit via their Mammoth Investors, LLC ownership.

Mammoth Investors, LLC is a management company that fully owns Mammoth Scientific, LLC, a venture capital fund general partnership (GP) entity and Mammoth Research LLC, a digital private capital matchmaking platform. Vestia Ventures, LLC, an affiliate of the firm, has ownership interest in Mammoth but without managerial participation, voting or control over the entity. Conflicts may arise in that Thomas Martin, CEO of Vestia Advisors, LLC, will be compensated for holding positions as



Board member, Company Member and CEO of Mammoth Investors, LLC and will operate as an Operating Manager of both Mammoth Scientific, LLC and Mammoth Research, LLC, and as a Registered Principal of Mammoth Research, LLC if approval of the broker/dealer's registration is granted. Additionally, Accredited Investor personnel of Vestia have invested personal funds into Mammoth Investors, LLC and benefit from the success of the company. Therefore, a conflict of interest exists when Vestia clients invest directly in Mammoth Investors, LLC, indirectly into the private investment options available through the Mammoth Research, LLC private investment matchmaking platform, or to any fund managed in whole or in part by Mammoth Scientific, LLC.

Mammoth Scientific oversees and advises the Mammoth Private Capital, LLC venture capital funds on the investments made by those funds. Each Mammoth Fund is owned by a segregated Series LLC that has separate assets and liabilities from all other funds that are Mammoth venture funds.

Associates of Vestia Advisors, LLC provide non-discretionary investment advice regarding alternative and private investments which may or may not include any of the foregoing private investments or platforms. The firm and its principals or affiliates do not solicit purchases of shares it/they may directly own (e.g., selling out of its "inventory"). The Firm's role relative to alternative and private investments is limited to initial and ongoing due diligence, negotiation of client access, and investment monitoring.

## **OUTSIDE COMPENSATION**

The Firm may provide compensation to third-party promoters for client referrals. In the event a client is introduced to the Firm by either an unaffiliated or an affiliated promoter, the Firm may pay that promoter a referral fee in accordance with applicable state securities laws. Any such referral fee is paid solely from the Firm's investment management fee and does not result in any additional charge to the client. If the client is introduced to the Firm by an unaffiliated promoter, the promoter is required to provide the client with the Firm's written brochure(s) and a copy of a promoter disclosure statement containing the terms and conditions of the promoter arrangement. Any affiliated promoter of the Firm is required to disclose the nature of his or her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of the Firm's written brochure(s) at the time of the solicitation.

The Firm may refer clients to unaffiliated professionals for specific needs, such as mortgage brokerage, real estate sales, estate planning, legal, and/or tax/accounting. In turn, these professionals may refer clients to us for investment management needs. We do not have any arrangements with individuals or companies that we refer clients to, and we do not receive any compensation for these referrals.



However, it could be concluded that we are receiving an indirect economic benefit from this practice, as the relationships are mutually beneficial. For example, there could be an incentive for us to recommend services of firms who refer clients to the Firm.

We only refer clients to professionals we believe are competent and qualified in their field, but it is ultimately the client's responsibility to evaluate the provider, and it is solely the client's decision whether to engage a recommended firm. Clients are under no obligation to purchase any products or services through these professionals, and we have no control over the services provided by another firm. Clients who chose to engage these professionals will sign a separate agreement with the other firm. Fees charged by the other firm are separate from and in addition to fees charged by the Firm.

If the client desires, we will work with these professionals or the client's other advisers (such as an accountant, attorney, or other investment adviser) to help ensure that the provider understands the client's investments and to coordinate services for the client. We do not share information with an unaffiliated professional unless first authorized by the client.

#### **OTHER CONSULTING SERVICES**

Vestia personnel may offer consulting services outside of their registered advisory work through Vestia Contract Negotiation, LLC and Vestia Ventures, LLC. Vestia Contract Negotiation, LLC provides non-legal contract negotiation readiness services to professionals or business in exchange for a pre-determined fee and/or a pre-determined percentage of the negotiation outcome. Vestia Ventures, LLC, provides tax planning consulting fees in collaboration with American Incentive Advisors LLC. American Incentive Advisors LLC provides consulting to professional businesses regarding research and development tax planning opportunities. American Incentive Advisors LLC gets paid on a contingency basis and is only compensated if the business accomplishes favorable tax savings or recovery. If the business was introduced to American Incentive Advisors, LLC via Vestia personnel, American Incentive Advisors LLC pays a portion of its contingency fee to Vestia Ventures, LLC. Vestia Personal Wealth Advisors has performed due diligence and has confidence in recommending the business services above to clients. However, the businesses above are not the only businesses that provide these services. Other service providers may provide these services at a greater or lesser cost with a greater or lesser quality. Due to the potential for compensation, Vestia personnel have a conflict when recommending the service providers above to Vestia Personal Wealth Advisors clients due to overlapping ownership or control contained in the various entities. Clients are never obligated to utilize the services providers above for these consulting needs and are encouraged to consider alternative service providers where they believe they might achieve a better outcome.



At all times we take our fiduciary duty and professional responsibility very seriously and endeavor to accomplish what is in your best interest as a client.

### **RETIREMENT PLAN ACCOUNTS**

The Firm may from time to time recommend the rollover to an IRA from an employer sponsored retirement plan. This product will be recommended when it is deemed by the Firm to be in the best interest of the client. It is understood that the Investment Advisor Representative will receive management fee paid by me as indicated by the client agreement that will be signed when the account is opened. 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.

Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

When recommending the rollover to an IRA from an employer sponsored retirement plan, you will be provided with disclosure on the reasons why the transaction is in your best interest, it will be required to be signed by both you and the advisor and will be maintained in your file.

### **RELATIONSHIP WITH TRU INDEPENDENCE, LLC**

The Firm maintains a business relationship with tru Independence, LLC ("tru Independence"), a service platform for investment professionals and an SEC registered investment adviser. Through its relationship with tru Independence, the Firm gains access to services related to reporting, custody, investments, compliance, trading, technology, transition support and other related services.

In fulfilling its duties to its clients, the Firm endeavors at all times to put the interests of its clients first. The Firm reviews all of its service provider relationships on an ongoing basis in an effort to ensure decisions are made in the best interests of clients. Clients should be aware, however, that this



relationship may pose certain conflicts of interest. Specifically, tru Independence charges the Firm a platform fee that decreases as assets increase. Accordingly, the Firm has an incentive to increase the assets it places through the tru Independence platform. tru Independence also provided transition support aimed at helping the Firm launch its new advisory firm. The receipt of economic and other benefits as described above from tru Independence creates an incentive for the Firm to choose tru Independence over other service providers that do not furnish similar benefits.

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

### FIDUCIARY ROLE

Our firm is a *fiduciary*, which means the firm and its associates will act in good faith, performing in a manner believed to be in the best interests of its clients. Our firm believes that business methodologies, ethics rules, and adopted policies are designed to eliminate or at least minimize material conflicts of interest and to appropriately manage any material conflicts of interest that may remain.

No set of rules can anticipate or relieve all material conflicts of interest; however, we will disclose to our clients any material conflict of interest relating to the firm, its representatives, or any of its employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

### CODE OF ETHICS

We have adopted a Code of Ethics that establishes policies for ethical conduct for our personnel. Our firm accepts the obligation not only to comply with all applicable laws and regulations but also to act in an ethical and professionally responsible manner in all professional services and activities. Firm policies include prohibitions against insider trading, the circulation of industry rumors, and certain political contributions, among others. We periodically review and amend our Code of Ethics to ensure that it remains current, and we require firm personnel to annually attest to their understanding of and adherence to the firm's Code of Ethics. A copy of the firm's Code of Ethics is made available to any client or prospective client upon request.

### CFP® PRINCIPLES

Firm associates that are Certified Financial Planner™ Practitioners also adhere to the Certified Financial Planner Board of Standards, Inc.'s Code of Ethics & Professional Responsibility which can be found at [www.cfp.net](http://www.cfp.net).



## **STATEMENT REGARDING OUR PRIVACY POLICY**

We respect the privacy of all clients and prospective clients (collectively termed "clients"), both past and present. It is recognized that our clients have entrusted our firm with non-public personal information, and it is important that both access persons and customers are aware of firm policy concerning what may be done with that information.

The firm collects personal information about customers from the following sources:

- Information customers provide to complete their financial plan or investment recommendation;
- Information customers provide in engagement agreements and other documents completed in connection with the opening and maintenance of an account;
- Information customers provide verbally; and
- Information received from service providers, such as custodians, about customers' transactions.

The firm does not disclose non-public personal information about our customers to anyone, except in the following circumstances:

- From one of our affiliated or associated companies to another;
- When required to provide services our customers have requested;
- When our customers have specifically authorized us to do so;
- When required during the course of a firm assessment (i.e., independent audit); or
- When permitted or required by law (i.e., periodic regulatory examination).

Within the firm, access to customer information is restricted to personnel that need to know that information. All access persons and service providers understand that everything handled in firm offices is confidential and they are instructed not to discuss customer information with someone else that may request information about an account unless they are specifically authorized in writing by the customer to do so. This includes providing information to family members about another household member's account.

To ensure security and confidentiality, the firm maintains physical, electronic, and procedural safeguards to protect the privacy of customer information.

Our firm will provide its customers with its privacy policy, in advance, if firm privacy policies are expected to change.

## **FIRM RECOMMENDATIONS AND CONFLICTS OF INTEREST**

An associate is prohibited from borrowing from or lending to a client unless the client is an institutional lender.



Companies managing securities and other assets (which are used in Vestia Disciplined and Emerging Wealth Management accounts) for mutual funds, ETFs, etc., such as, but not limited to, Dimensional Fund Advisors LP, The Vanguard Group, Inc. (Vanguard), and BlackRock, Inc. (iShares), may from time-to-time sponsor or host Vestia Personal Wealth Advisors events such as conferences or seminars. This may include direct payment to vendors or reimbursement of expenses incurred by Vestia Personal Wealth Advisors in connection with hosting educational, training, or other events for Vestia Personal Wealth Advisors clients, employees, or members. Such hosting or sponsorship provides direct or indirect economic benefits to Vestia Personal Wealth Advisors and creates a conflict of interest that could influence Vestia Personal Wealth Advisors to include products or services offered by these sponsoring companies in Vestia Disciplined Wealth Management portfolios.

### **PERSONAL TRADING**

Neither the firm nor an associate is authorized to recommend to a client, or effect a transaction for a client, involving any security in which the firm or a "related person" (e.g., associate, an immediate family member, etc.) has a material financial interest, such as in the capacity as a board member, underwriter or advisor to an issuer of securities, etc., without the Chief Compliance Officer's prior approval. Our firm and its related persons may buy or sell securities that are the same as, similar to, or different from, those recommended to clients for their accounts, and this poses a conflict of interest. We mitigate this conflict by ensuring that we have policies and procedures in place to ensure that the firm or a related person will not receive preferential treatment over a client. In an effort to reduce or eliminate certain conflicts of interest involving personal trading (i.e., trading ahead of client recommendations, etc.), firm policy may require that we periodically restrict or prohibit related parties' transactions. Any exceptions must be approved in writing by our Chief Compliance Officer, and personal trading accounts are reviewed on a quarterly or more frequent basis.

Under certain conditions that have been established by the United States Department of Labor ("DOL"), Vestia Advisors, LLC is considered a "DOL fiduciary" to certain clients. As a DOL fiduciary, our firm must adhere to specific standards relating to the investment advice and recommendations we provide. These standards may act to limit the investment advice and recommendations we can give to clients and may require that we provide certain additional disclosures not already contained in this Form ADV Part 2A. As a DOL fiduciary, we also incur additional liability above and beyond that we currently operate under as it relates to the investment advice and recommendations we provide. Status as a DOL fiduciary is governed by federal law and DOL regulations.

Such fiduciary status is triggered when we provide investment advice or other investment recommendations to a client who is a "retirement investor." Retirement investors primarily consist of those individuals or organizations who



are (i) participants or beneficiaries of a retirement plan that is subject to Title I of the Employee Retirement Income Security Act of 1974 (ERISA), as amended, and who possess the authority to direct the investment of assets in his or her plan account or to take a distribution; or (ii) the beneficial owner of an individual retirement account (IRA) acting on behalf of the IRA. Not every client will trigger this DOL fiduciary status, as this status is based on the source of investment funds previously listed. In the event that our firm qualifies as a DOL fiduciary, the following standards and warranties apply, in addition to others noted in this Item:

- We will provide investment advice that is, at the time of the recommendation, in the client's best interest.
- As used herein, recommendations are made in the client's "best interest" when the advice or recommendations our firm makes reflect the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, based on the client's investment objectives, risk tolerance, financial circumstances, and needs. Investment advice or recommendations will also be made without regard to our firm's financial interests or those of our advisors, related entities or other parties.
- Any recommended transactions will not cause us or any related entities to receive, directly or indirectly, compensation for services that is in excess of reasonable compensation.
- As used herein, the DOL defines "reasonable compensation" to mean that any compensation that is reasonably expected to be received for investment recommendations must be reasonable in relation to the value of the specific services provided to a Retirement Investors and not in excess of the services' fair market value.
- Any statements made by our firm about any recommended transaction, fees and compensation, material conflicts of interest, and any other matters relevant to your investment decisions, will not be materially misleading at the time they are made.

In addition to the standards listed above, as a DOL fiduciary we may also be required to provide you additional information or disclosures regarding the fees we charge for our services. Such additional information will disclose to you if we offer any proprietary products (which are products that are managed, issued, or sponsored by us) or if we receive any payment from a third party for recommending a specific investment service. Our firm does not offer, nor limit, its investment services to proprietary products. Regarding third-party payments, we receive economic benefit from our custodians in the form of the support products and services they make available to us and other independent investment advisors. Additional information regarding such economic benefits is noted in Item 12 of this brochure, and information relating to our fees and compensation for our services can be found in Item 5.



Our firm is able to provide a range of advisory services to our clients. Due to our firm and/or associates' ability to offer two or more services and receive a fee, a conflict of interest exists due to the extended services provided. We note that our clients are under no obligation to act on our recommendations and, if they elect to do so, they are under no obligation to complete all of them through our firm or a recommended service provider.

Discussion concerning when Vestia refers clients to United Capital/Goldman Sachs for Sub-Advisor services it receives an incentive which may have a real or perceived conflict of interest is provided in Item 4.

Additional discussion concerning the Firm's ability to provide advice related to Private Equity where the Firm, its Principals, and or Affiliated Entities may have a real or perceived conflict of interest is provided in Item 10.

## Item 12 - Brokerage Practices

### FACTORS USED TO SELECT BROKER/DEALERS FOR CLIENT TRANSACTIONS

Vestia Personal Wealth Advisors does not maintain physical custody of client assets. Accounts are to be maintained by a qualified custodian (generally a broker/dealer, national bank or its trust company) that is frequently reviewed for its capabilities to serve in that capacity by their respective industry regulatory authority. Our firm is not a qualified custodian, there is not an affiliate that is a qualified custodian, nor does a custodian supervise our firm, its activities or our associates. We do not receive referrals from a custodian, nor are client referrals a factor in our recommendation of a custodian.

We have entered into agreements with Charles Schwab & Co., Inc., Fidelity Brokerage Services LLC, TD Ameritrade, Inc., Betterment Securities, and TIAA-Cref to serve as custodians for our clients' accounts. Each custodian and/or their affiliates are FINRA and SIPC members,<sup>5</sup> and SEC-registered Investment Advisers. While we may recommend that our clients use a particular custodian, the client must decide whether to do so, and will open the account by entering into an account agreement directly with that custodian. We do not technically open the account for our clients, but we assist them in doing so. If a client does not wish to place assets with one of the noted custodians, we may be able to manage the account at the client's preferred custodian depending on that custodian's policies.

We seek to use custodians who will hold client assets and execute transactions on terms that are overall advantageous when compared to other available providers

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<sup>5</sup> Our advisory firm is not, nor required to be, a Securities Investor Protection Corporation (SIPC) member. Clients may learn more about the SIPC and how it serves member firms and the investing public by going to their website at <http://www.sipc.org>.



and their services. Our firm considers a wide range of factors, including, among others, these:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capability to execute, clear and settle trades (buy and sell securities for an account)
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- breadth of investment products made available (stocks, bonds, mutual 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 them
- reputation, financial strength and stability of the provider
- their prior service to us and our other clients
- availability of other products and services that benefit us, as discussed below
- client familiarity and prior experience with the provider

When an account is maintained at one of our custodians, the client is typically not charged separately for custody services and the custodian is compensated by charging a commission or other fees on trades that they execute or that settle into an account at that custodian. Some custodians' commission rates applicable to our client accounts were negotiated based on our commitment to maintain a certain amount of clients' assets in accounts held at that custodian. This commitment benefits our clients because overall commission rates are lower than they would be if we had not made the commitment. Our custodians provide our firm and its clients with access to its institutional brokerage - trading, custody, reporting and related services - many of which are not typically available to "retail customers." Our custodians also make available various support services. Some of these services help us manage or administer our clients' accounts, while others help us manage and grow our business. These support services are generally available to us on an unsolicited basis (we don't have to request them) and at no charge to us as long as we keep a certain level of our clients' assets in accounts at that custodian. If we have less than the desired amount of client assets or trade revenue at a custodian, they may charge us quarterly service fees that we pay from our operating account. A custodian's institutional brokerage services typically include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through a custodian include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients.



Our custodians also make available to our firm other products and services that benefit us but may not directly benefit each client's account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both their own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at that particular custodian. In addition to investment research, they also make available software and other technology that:

- provides access to client account data (such as duplicate trade confirmations and account statements);
- facilitates trade execution and allocates aggregated trade orders for multiple client accounts;
- provides pricing and other market data;
- facilitates payment of our fees from our clients' accounts; and
- assists with back-office functions, recordkeeping and client reporting.
- A custodian also offers services intended to help us manage and further develop our business enterprise, such as:
  - educational conferences and events;
  - technology, compliance, legal, and business consulting;
  - transitional support for the movement of client accounts;
  - publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

A custodian may provide some of these services itself. In other cases, they may arrange for third-party vendors to provide the services to us. A custodian may also discount or waive its fees for some of these services or pay all or a part of a third party's fees, as well as provide firm associates with benefits such as occasional business entertainment. While we do not believe that the previously referenced services are considered "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934, certain jurisdictions in which we operate may believe that they do. The availability of these services benefits our firm because we do not have to produce or purchase them as long as clients maintain assets in accounts at a recommended custodian. There is a conflict of interest since our firm has an incentive to select or recommend a custodian based on our firm's interest in receiving these benefits rather than the client's interests in receiving favorable trade execution.

It is important to mention that the benefit received by our firm through participation in any custodian's program does not depend on the amount of brokerage transactions directed to that custodian, and our selection of a custodian is primarily supported by the scope, quality, and cost of services provided as a whole, not just those services that benefit only our advisory firm. Further, we will act in the best interest of our clients regardless of the custodian we may select.



Our firm conducts periodic assessments of any recommended service provider which generally involves a review of the range and quality of services, reasonableness of fees, among other items, in comparison to industry peers.

### **BEST EXECUTION**

“Best execution” means the most favorable terms for a transaction based on all relevant factors, including those listed in the earlier paragraphs. We recognize our obligation in seeking best execution for our clients; however, it is our belief that the determinative factor is not always the lowest possible cost but whether the selected custodian’s transactions represent the best “qualitative execution” while taking into consideration the full range of services provided. Our firm will seek services involving competitive rates, but it may not necessarily correlate into the lowest possible rate for each transaction. We have determined having our portfolio management clients’ accounts trades completed through our recommended custodians is consistent with our obligation to seek best execution of client trades. A review is regularly conducted with regard to recommending a custodian to our clients in light of our duty to seek best execution.

Our firm may, in its discretion and following custodian approval, accept a client’s transfer of preexisting retail mutual funds into their account. A transfer-in-kind of retail share class mutual funds may potentially benefit the client since they are able to invest in their portfolio more quickly, mitigate tax and/or short-term trading liabilities, and/or avoid contingent deferred sales charges (CDSC). Our firm regularly reviews accounts that have transferred different share classes of mutual funds and will convert share classes to a lower expense share class when we believe doing so would be beneficial to the client.

While our firm has access to a broad range of securities through our custodian, it is a finite number. In addition, not all investment managers (mutual funds), share classes, etc., are represented at each custodian. Due to these normal and customary limitations, not all portfolio holdings will be readily available, least expensive, best performing, etc. It is an unrealistic expectation for an investor to maintain a premise otherwise.

### **DIRECTED BROKERAGE**

Our internal policy and operational relationship with our custodians require client accounts custodied with them to have trades executed per their order routing requirements. We do not direct which executing broker should be selected for client account trades, whether that is an affiliate of our preferred custodian or another executing broker of our custodian’s choice. As a result, the client may pay higher commissions or other transaction costs, experience greater spreads, or receive less favorable net prices on transactions than might otherwise be the case. In addition, since we routinely recommend a custodian to our advisory clients, and that custodian may choose to use the execution services of its broker affiliate for some or all of our client account transactions, there is an inherent conflict of



interest involving our recommendation since our advisory firm receives various products or services described above from that custodian. Note that we are not compensated for trade routing/order flow, nor are we paid commissions on such trades. We do not receive interest on an account's cash balance.

Client accounts maintained at our custodian are unable to direct brokerage. As a result, they may pay higher commissions or other transaction costs, potentially experience greater spreads, or receive less favorable net prices on transactions for their account than would otherwise be the case if they had the opportunity to direct brokerage.

For accounts maintained at a custodian of the client's choice (e.g., held-away accounts), the client may choose to request that a particular broker is used to execute some or all account transactions. Under these circumstances, the client will be responsible for negotiating, in advance of each trade, the terms and/or arrangements involving their account with that broker, and whether the selected broker is affiliated with their custodian of record or not. We will not be obligated to seek better execution services or prices from these other brokers, and we will be unable to aggregate transactions for execution via our custodian with other orders for accounts managed by our firm. As a result, the client may pay higher commissions or other transaction costs, potentially experience greater spreads, or receive less favorable net prices on transactions for their account than would otherwise be the case.

### **AGGREGATING SECURITIES TRANSACTIONS**

Trade aggregation involves the purchase or sale of the same security for several clients/accounts at approximately the same time. This may also be termed "blocked" or "batched" orders. Aggregated orders are affected in an attempt to obtain better execution, negotiate favorable transaction rates, or to allocate equitably among multiple client accounts should there be differences in prices, brokerage commissions or other transactional costs that might otherwise be unobtainable through separately placed orders. Our firm may, but is not obligated, to aggregate orders, and our firm does not receive additional compensation or remuneration as a result of aggregated transactions.

Transaction charges and/or prices may vary due to account size and/or method of receipt. To the extent that the firm determines to aggregate client orders for the purchase or sale of securities, including securities in which a related person may invest, the firm will generally do so in accordance with the parameters set forth in SEC No-Action Letter, SMC Capital, Inc.

Please note that when trade aggregation is not allowed or infeasible and necessitates individual transactions (e.g., withdrawal or liquidation requests, odd-lot trades, non-discretionary accounts, etc.), an account may potentially be assessed higher costs or less favorable prices than those where aggregation has occurred.



We review firm trading processes on a periodic basis to ensure they remain within stated policies and regulation. Our clients will be informed, in advance, should trading practices change at any point in the future.

#### **BETTERMENT FOR ADVISORS' TRADING POLICY**

When using the Betterment for Advisors platform, we and you are subject to the trading policies and procedures established by Betterment. These policies and procedures limit our ability to control, among other things, the timing of the execution of certain trades (including in response to withdrawals, deposits, or asset allocation changes) within your account. You should not expect that trading on is instant, and, accordingly, you should be aware that Betterment does not permit you or us to control the specific time during a day that securities are bought or sold in your account (i.e., to "time the market"). Betterment describes its trading policies in Betterment LLC's Form ADV Part 2A. As detailed in that document, Betterment generally trades on the same business day as it receives instructions from you or us. However, transactions will be subject to processing delays in certain circumstances. In particular, orders initiated on non-business days and after markets close generally will not transact until the next business day. Betterment also maintains a general approach of not placing securities orders during approximately the first thirty minutes after the opening of any market session. Betterment also generally stops placing orders arising from allocation changes in existing portfolios approximately thirty minutes before the close of any market session. Betterment continues placing orders associated with deposit and withdrawal requests until market close. Betterment maintains a general approach of not placing orders around the time of scheduled Federal Reserve interest rate announcements. Furthermore, Betterment may delay or manage trading in response to market instability. For further information, please consult Betterment LLC's Form ADV Part 2A.

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

#### **SCHEDULED REVIEWS**

Periodic check-ups or reviews are recommended for our ongoing engagement services. Depending on the type of engagement with our firm, they will occur at least annually.

#### **INTERIM REVIEWS**

Clients are encouraged to contact our firm for additional reviews when they anticipate or have experienced changes in their financial situation (i.e., changes in employment, an inheritance, the birth of a new child, etc.), or when they prefer to change requirements involving their investment account. Interim reviews are conducted by the client's relationship manager, and a copy of revised plans or asset allocation reports in digital or printed format will be provided to the client upon request.



Additional reviews by our portfolio manager(s) and assigned relationship manager are triggered by news or research related to a specific holding, a change in our view of the investment merits of a holding, or news related to the macroeconomic climate affecting an asset class or holding within that asset class. A portfolio may be reviewed for an additional holding or when an increase in a current position is under consideration. Account cash levels above or below what we deem appropriate for the investment environment, given the client's stated tolerance for risk and investment objectives, may also trigger a review.

#### **CLIENT REPORTS AND FREQUENCY**

Whether the client opens and maintains an investment account on their own or with our assistance, the client will receive quarterly or more frequent account statements sent directly from mutual fund companies, transfer agents, custodians or brokerage companies where their investments are held. The custodian is not responsible for verifying the accuracy and/or calculations of fees, so we urge each client to carefully review these account statements for accuracy and clarity no less than quarterly and to notify the Firm of any discrepancies within thirty days after quarter-end, and to ask questions when something is not clear.

Our firm produces its own written performance reports which are calculated using a time-weighted methodology that are reviewed for accuracy by compliance personnel prior to delivery. The reports are intended to inform clients about their investment performance over the current period, as well as over the longer term since the account's inception; both on an absolute basis and as compared to a known benchmark. Our reports are periodically back tested by compliance staff. We do not back-test or certify reports from an external party. Clients are urged to carefully review and compare account statements that they have received directly from their custodian of record with any report they may receive from our firm or any other source that contains investment performance information.

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

Please refer to Items 4, 5, 10 and 12 for information with respect to our offerings and the conflicts of interest they present.

#### **PROFITS INTERESTS FOR ADVISORY BOARD MEMBERS**

Our affiliated company, Vestia Ventures, LLC, may provide its independent advisory board members with profits interests or other equity compensation for service on its advisory board. Accordingly, these independent advisory board members have financial incentive to refer clients to any services that may compensate Vestia Ventures, LLC.



## **INDUSTRY ASSOCIATION MEMBERSHIPS**

An associate of the firm may hold individual membership or serve on boards or committees of professional industry associations. Generally, participation in any of these entities require membership fees to be paid, adherence to ethical guidelines, as well as in meeting experiential and educational requirements. A benefit these entities may provide to the investing public is the availability of online search tools that allow interested parties (prospective clients) to search for individual participants within a selected state or region.

These passive websites may provide means for interested persons to contact a participant via electronic mail, telephone number, or other contact information, in order to interview the participating member. The public may also choose to telephone association staff to inquire about an individual within their area and would receive the same or similar information. A portion of these participant's membership fees may be used so that their name will be listed in some or all of these entities' websites (or other listings). Prospective clients locating our advisory firm or an associate via these methods are not actively marketed by the noted associations. Clients who find our firm in this way do not pay more for their services than clients referred in any other fashion. Our firm does not pay these entities for prospective client referrals, nor is there a fee-sharing arrangement reflective of a solicitor engagement.

## **BROKERAGE SUPPORT PRODUCTS AND SERVICES**

We receive an economic benefit from the brokers used for transactions in client accounts in the form of the support products and services they make available to us and other independent firms whose clients maintain their accounts at the broker. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices). We do not base particular investment advice, such as buying particular securities for our clients, on the availability of the brokers' products and services to us.

# **Item 15 – Custody**

Vestia Advisors, LLC is not a broker/dealer; we cannot accept or forward client securities (i.e., stock certificates) that are erroneously delivered to our firm.

We do not collect advance fees of \$1,200 or more for services that are to be performed six months or more into the future.

We restrict both the firm and our associates from serving as trustee or having general power of attorney over a client account, unless the account is maintained for a family member (beneficiary trust).

Client assets are to be maintained by an unaffiliated, qualified custodian (see Item 12); assets are not held by our firm or any associate or our firm. The custodian of



record will provide the client with investment account transaction confirmations and account statements, which will include debits and credits for each period. Statements are provided on at least a quarterly basis, and confirmations are provided as transactions occur within an account.

Our advisory firm will not create a custodial account statement for a client nor serve as the sole recipient of a client account statement. Clients are urged to carefully review and compare account statements that they have received directly from their custodian of record with any report they may receive from our firm or any other source that contains investment performance information.

For those clients served via our Vestia Complete or Vestia Collaborate engagements, we may assist with bill payment services via their bank accounts, as well as assisting in third-party payments via accounts maintained at our custodians. In addition, for any discretionary asset management client we may also be asked to conduct portfolio management services for clients held-away accounts (i.e., other brokerage accounts, 401(k) programs, etc.). In order to provide these services, the client will need to verify any custodial policies, provide our firm with account access information and advisor authorization or a limited power of attorney to provide services for the account; subsequently, such access may allow physical control over those assets. We have instituted a range of internal operational policies and information safeguards which will be monitored by our Chief Compliance Officer, as well as undergo annual surprise inspections by an unaffiliated accounting firm that is in turn subject to review by the Public Company Accounting Oversight Board.

The Firm's affiliate, Vestia Ventures, LLC, in its role as Managing Member of Vestia Ventures MiRus Investment, LLC, and Vestia MiRus QP Investment, LLC may be considered to have custody. The promissory note between VVMI or VMQP and MiRus, LLC are held by Midland Trust Company ("Midland") with JPMorgan Chase Bank N.A. providing access to bank statements for VVMI and VMQP investors. Although Vestia Personal Wealth Advisors does not have direct custody of these assets, due to the common control between Vestia Personal Wealth Advisors and Vestia Ventures, LLC, Vestia Personal Wealth Advisors treats these assets as custodial as Special Purpose Investment Vehicles and annually subjects client ownership of these assets to review by an unaffiliated accounting firm that is in turn subject to review by the Public Company Accounting Oversight Board. See Item 10 sub-section "Alternative and Private Investments" for further information related to Affiliated Entities of the Firm serving as Managing Member of Private Special Purpose Investment Vehicles.

See Item 18 for further information related to the Firm's financial position.



## Item 16 - Investment Discretion

We generally provide our portfolio management services on a discretionary basis. Via advisor authority or limited power of attorney, discretionary authority allows our firm to implement investment decisions, such as the purchase or sale of a security on behalf of an account, without requiring the client's prior authorization for each transaction in order to meet stated investment objectives. This authority will be granted by the client through execution of both our engagement agreement and the selected custodian's account opening documents. Note that the custodian will specifically limit our firm's authority within an account to the placement of trade orders and the request for the deduction of our advisory fees, unless the client grants us further control of the account as noted in Item 15.

Outside of the Vestia Private Capital platform, our Firm prefers to not manage client accounts on a non-discretionary basis, but we may accommodate such requests on a case-by-case basis. Such account authority requires a client's ongoing prior approval involving the investment and reinvestment of account assets, including portfolio rebalancing. The client will be required to execute our firm's client services agreement that describes our limited account authority, as well as the custodian of record's account opening document that includes their limited power of attorney form or clause. Please note that in light of the requirement for pre-approval the client must make themselves available and keep our firm updated on their contact information so that instructions can be efficiently affected on their behalf. In addition, non-discretionary accounts are generally unable to be aggregated (see Item 12) and may therefore be assessed higher trading fees or receive less favorable prices than those accounts where trade aggregation has occurred.

We will account for any reasonable restrictions involving the management of the client's account. It remains the client's responsibility to notify us if there is any change in their situation and/or investment objective so that we may reevaluate previous investment recommendations or portfolio holdings. Our clients retain the right to amend our account authority, in writing.

## Item 17 - Voting Client Securities

Our clients may periodically receive proxies or other similar solicitations sent directly from the custodian of record or transfer agent. If we receive a duplicate copy, note that we do not forward these or any similar correspondence relating to the voting of the client securities, class action litigation, or other corporate actions.

**Our firm does not vote proxies on a client's behalf**, including those accounts that we have discretionary authority over; nor do we offer specific guidance on how to



vote proxies. We will not offer guidance involving any claim or potential claim in any bankruptcy proceeding, class action securities litigation or other litigation or proceeding relating to securities held at any time in a client account, including, without limitation, to file proofs of claim or other documents related to such proceeding, or to investigate, initiate, supervise or monitor class action or other litigation involving client assets. However, we will answer limited questions via a scheduled meeting with respect to what a proxy voting request or other corporate matter may be and how to reach the issuer or its legal representative.

Clients maintain exclusive responsibility for directing the manner in which proxies solicited by issuers of securities that are beneficially owned by them shall be voted, as well as making all other elections relative to mergers, acquisitions, tender offers or other legal matters or events pertaining to your holdings. Account holders should consider contacting the issuer or their own legal counsel involving specific questions they may have with respect to a particular proxy solicitation or corporate action.

## **Item 18 - Financial Information**

Our firm does not collect advance fees of \$1,200 or more for services that are to be performed six months or more into the future.

Our Firm does not serve as general partner for a partnership or trustee for a trust in which the firm's advisory clients are either partners of the partnership or beneficiaries of the trust. See Item 10's sub-section "Alternative and Private Investments" for additional information about Affiliated Entities of the Firm that may serve in this or a similar capacity.

The firm and its management do not have a financial condition likely to impair its ability to meet commitments to clients, nor has the firm and its management been the subject of a bankruptcy petition in the past 10 years.





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