

# Castle Wealth Advisors LLC Wrap Fee Program Brochure

*This wrap fee program brochure provides information about the qualifications and business practices of Castle Wealth Advisors LLC. If you have any questions about the contents of this brochure, please contact us at 424-209-2257 or by email at: [heather@castlewealthadvisors.net](mailto:heather@castlewealthadvisors.net). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about Castle Wealth Advisors LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Castle Wealth Advisors LLC's CRD number is: 283231.*

1168 S. Barrington Ave, Suite 502  
Los Angeles, California, 90049  
424-209-2257  
[www.castlewealthadvisors.net](http://www.castlewealthadvisors.net)  
[heather@castlewealthadvisors.net](mailto:heather@castlewealthadvisors.net)

*Castle Wealth Advisors LLC is a registered investment adviser. Registration does not imply a certain level of skill or training.*

Version Date: 2/6/2017

## **Item 2: Material Changes**

Castle Wealth Advisors LLC has the following material changes to this brochure to report.

- Item 4 has been updated with additional description of fees outside of this wrap fee program and the effect of trading on fees.

## Item 3: Table of Contents

Item 1: Cover Page	
Item 2: Material Changes.....	ii
Item 3: Table of Contents.....	iii
Item 4: Services Fees and Compensation.....	5
A. Description of Services.....	5
B. Contribution Cost Factors .....	6
C. Additional Fees .....	6
D. Compensation of Client Participation .....	6
Item 5: Account Requirements and Types of Clients.....	6
Item 6: Portfolio Manager Selection and Evaluation .....	6
A. Selecting/Reviewing Portfolio Managers.....	6
1. Standards Used to Calculate Portfolio Manager Performance .....	7
2. Review of Performance Information .....	7
B. Related Persons.....	7
C. Advisory Business.....	7
Wrap Fee Portfolio Management.....	7
Performance-Based Fees and Side-By-Side Management .....	8
Services Limited to Specific Types of Investments.....	8
Client Tailored Services and Client Imposed Restrictions .....	8
Wrap Fee Programs.....	8
Amounts Under Management.....	8
Methods of Analysis and Investment Strategies .....	8
Material Risks Involved.....	9
Risks of Specific Securities Utilized.....	10
Voting Client Proxies .....	11
Item 7: Client Information Provided to Portfolio Managers .....	11
Item 8: Client Contact with Portfolio Managers.....	12
Item 9: Additional Information .....	12
A. Disciplinary Action and Other Financial Industry Activities .....	12
Criminal or Civil Actions .....	12
Administrative Proceedings.....	12
Self-regulatory Organization Proceedings .....	12
Registration as a Broker/Dealer or Broker/Dealer Representative .....	12
Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.....	12
Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests.....	12
Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections.....	13
B. Code of Ethics, Client Referrals, and Financial Information .....	13

Code of Ethics .....	13
Recommendations Involving Material Financial Interests .....	14
Investing Personal Money in the Same Securities as Clients .....	14
Trading Securities At/Around the Same Time as Clients' Securities .....	14
Frequency and Nature of Periodic Reviews and Who Makes Those Reviews .....	14
Factors That Will Trigger a Non-Periodic Review of Client Accounts .....	14
Content and Frequency of Regular Reports Provided to Clients .....	14
Economic Benefits Provided by Third Parties for Advice Rendered to Clients.....	15
Compensation to Non - Advisory Personnel for Client Referrals .....	16
Balance Sheet.....	16
Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients .....	16
Bankruptcy Petitions in Previous Ten Years .....	16
Item 10: Requirements for State Registered Advisers.....	17
Material Relationships (If Any)With Issuers of Securities.....	17

## Item 4: Services Fees and Compensation

Castle Wealth Advisors LLC (hereinafter "CWAL") offers the following services to advisory clients:

### A. Description of Services

CWAL participates in and sponsors wrap fee programs, which means CWAL will wrap third party fees (i.e., custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.) for wrap fee portfolio management accounts. CWAL will charge clients one fee, and pay all transaction fees using the fee collected from the client. Accounts participating in the wrap fee program are not charged higher advisory fees based on trading activity, but clients should be aware that CWAL has an incentive to limit trading activities for those accounts since the firm absorbs those transaction costs.

Certain other fees are not included in the wrap fee and are paid for separately by the client. These include, but are not limited to, margin costs, charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, fees for trades executed at a broker dealer other than Charles Schwab & Co., Inc. Advisor Services, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

The fee schedule is set forth below:

Total Assets Under Management	Annual Fee
\$0 - \$500,000	1.75%
\$500,001 - \$1,000,000	1.50%
\$1,000,001 - And Up	1.25%

These fees are negotiable depending upon the needs of the client and complexity of the situation and the final fee schedule is attached as Exhibit II of the client contract. CWAL uses an average of the daily balance in the client's account throughout the billing period, after taking into account deposits and withdrawals for purposes of determining the market value of the assets upon which the advisory fee is based. Lower fees for comparable services may be available from other sources.

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid quarterly in arrears. Because fees are charged in arrears, no refund policy is necessary.

Clients may terminate the contract without penalty, for full refund, within five business days of signing the contract. Thereafter, clients may terminate the contract with fifteen days' written notice.

## **B. Contribution Cost Factors**

The program may cost the client more or less than purchasing such services separately. There are several factors that bear upon the relative cost of the program, including the trading activity in the client's account, the adviser's ability to aggregate trades, and the cost of the services if provided separately (which in turn depends on the prices and specific services offered by different providers).

## **C. Additional Fees**

Clients who participate in the wrap fee program will not have to pay for transaction or trading fees. However, clients are still responsible for all other account fees, such as annual IRA fees to the custodian, transition fees if the account is moved to another broker, or mutual fund fees.

## **D. Compensation of Client Participation**

Neither CWAL, nor any representatives of CWAL receive any additional compensation beyond advisory fees for the participation of client's in the wrap fee program. However, compensation received may be more than what would have been received if client paid separately for investment advice, brokerage, and other services. Therefore, CWAL may have a financial incentive to recommend the wrap fee program to clients.

# **Item 5: Account Requirements and Types of Clients**

CWAL generally provides its wrap fee program services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit Sharing Plans
- ❖ Charitable Organizations

There is no account minimum.

# **Item 6: Portfolio Manager Selection and Evaluation**

## **A. Selecting/Reviewing Portfolio Managers**

CWAL may select any outside portfolio managers for management of this wrap fee program.

### ***1. Standards Used to Calculate Portfolio Manager Performance***

CWAL will use industry standards, Benchmarking vs. applicable index and comparison to client's Investment Policy Statement goals and risk tolerance to calculate portfolio manager performance.

### ***2. Review of Performance Information***

CWAL reviews the performance information to determine and verify its accuracy and compliance with presentation standards. The performance information is reviewed quarterly and is reviewed by CWAL.

## **B. Related Persons**

CWAL and its personnel serve as the portfolio managers for all wrap fee program accounts. This is a conflict of interest in that no outside adviser assesses CWAL's management of the wrap fee program. However, CWAL addresses this conflict by acting in its clients' best interest consistent with its fiduciary duty as sponsor and portfolio manager of the wrap fee program.

## **C. Advisory Business**

CWAL offers portfolio management services to its wrap fee program participants as discussed in Section 4 above.

### ***Wrap Fee Portfolio Management***

CWAL offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. CWAL creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan (the Investment Policy Statement) to aid in the selection of a portfolio that matches each client's specific situation. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

CWAL evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

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

CWAL does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

### ***Services Limited to Specific Types of Investments***

CWAL generally limits its investment advice to mutual funds, fixed income securities, insurance products including annuities, equities, ETFs, treasury inflation protected/inflation linked bonds and non-U.S. securities. CWAL may use other securities as well to help diversify a portfolio when applicable.

### ***Client Tailored Services and Client Imposed Restrictions***

CWAL offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent CWAL from properly servicing the client account, or if the restrictions would require CWAL to deviate from its standard suite of services, CWAL reserves the right to end the relationship.

### ***Wrap Fee Programs***

CWAL sponsors and acts as portfolio manager for this wrap fee program. CWAL manages the investments in the wrap fee program, but does not manage those wrap fee accounts any differently than non-wrap fee accounts. The fees paid to the wrap account program will be given to CWAL as a management fee.

### ***Amounts Under Management***

CWAL has the following assets under management:

<b>Discretionary Amounts:</b>	<b>Non-Discretionary Amounts:</b>	<b>Date Calculated:</b>
\$0	\$0	September 2016

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

CWAL's methods of analysis include technical analysis, cyclical analysis, quantitative analysis and modern portfolio theory.

**Technical analysis** involves the analysis of past market data; primarily price and volume.

**Cyclical analysis** involves the analysis of business cycles to find favorable conditions for buying and/or selling a security.

**Quantitative analysis** deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

CWAL uses long term trading, short term trading, short sales and options trading (including covered options, uncovered options, or spreading strategies).

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### ***Material Risks Involved***

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

**Cyclical analysis** assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.

**Quantitative Model Risk:** Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

**Modern Portfolio Theory** assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short term trading, short sales, margin transactions, and options writing generally hold greater risk and clients should be aware that there is a material risk of loss using any of those strategies.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### ***Risks of Specific Securities Utilized***

CWAL's use of short sales and options trading generally holds greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of

transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance.

**Annuities** are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

**Options** are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

**Non-U.S. securities** present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

**Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### ***Voting Client Proxies***

CWAL will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 7: Client Information Provided to Portfolio Managers**

CWAL is the portfolio managers for this wrap fee program. All client information that is collected, including basic information, risk tolerance, sophistication level, and income level will be collected by CWAL. As that information changes and is updated, CWAL will have immediate access to that information once collected.

## **Item 8: Client Contact with Portfolio Managers**

CWAL places no restrictions on client ability to contact its portfolio managers. CWAL's representative, Misty Heather Castle can be contacted during regular business hours and contact information is on the cover page of Misty Heather Castle's Form ADV Part 2B brochure supplement.

## **Item 9: Additional Information**

### **A. Disciplinary Action and Other Financial Industry Activities**

#### ***Criminal or Civil Actions***

There are no criminal or civil actions to report.

#### ***Administrative Proceedings***

There are no administrative proceedings to report.

#### ***Self-regulatory Organization Proceedings***

There are no self-regulatory organization proceedings to report.

#### ***Registration as a Broker/Dealer or Broker/Dealer Representative***

Misty Heather Castle is a registered representatives of Private Client Services.

#### ***Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor***

Neither CWAL nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

#### ***Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests***

Misty Heather Castle is a registered representative of Private Client Services. From time to time, she will offer clients advice or products from this activity. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. CWAL always acts in the best interest of the client; including in the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services any representative of CWAL in such individual's outside capacity.

Misty Heather Castle is a licensed insurance agent. From time to time, she will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. CWAL always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to purchase such services or products through any representative of CWAL in such individual's outside capacities.

Misty Heather Castle will be providing structured settlements with Avitas a Division of Millennium Settlements Inc.

Misty Heather Castle is an adjunct Professor, teaching FI440 for California State University- Northridge during the Fall Semester of 2016. She will spend approximately 5 hours not during trading hours a week on these activities.

All material conflicts of interest under California Code of Regulations Section 260.238(k) are disclosed regarding the investment adviser, its representatives or any of its employees, which could be reasonable expected to impair the rendering of unbiased and objective advice.

### ***Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections***

CWAL will direct clients to third party money managers. CWAL will be compensated via a fee share from the advisors to which it directs those clients. This relationship will be disclosed in each contract between CWAL and each third party advisor. The fees shared will not exceed any limit imposed by any regulatory agency. This creates a conflict of interest in that CWAL has an incentive to direct clients to the third party money managers that provide CWAL with a larger fee split. CWAL will always act in the best interests of the client, including when determining which third party manager to recommend to clients. CWAL will ensure that all recommended advisors or managers are licensed or notice filed in the states in which CWAL is recommending them to clients.

## **B. Code of Ethics, Client Referrals, and Financial Information**

### ***Code of Ethics***

CWAL has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual

Review, and Sanctions. CWAL's Code of Ethics is available free upon request to any client or prospective client.

### ***Recommendations Involving Material Financial Interests***

CWAL does not recommend that clients buy or sell any security in which a related person to CWAL or CWAL has a material financial interest.

### ***Investing Personal Money in the Same Securities as Clients***

From time to time, representatives of CWAL may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of CWAL to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. CWAL will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

### ***Trading Securities At/Around the Same Time as Clients' Securities***

From time to time, representatives of CWAL may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of CWAL to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, CWAL will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

### ***Frequency and Nature of Periodic Reviews and Who Makes Those Reviews***

Client accounts are reviewed at least quarterly only by Misty Heather Castle, Principal. Misty Heather Castle is the chief advisor and is instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at CWAL are assigned to this reviewer.

### ***Factors That Will Trigger a Non-Periodic Review of Client Accounts***

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

### ***Content and Frequency of Regular Reports Provided to Clients***

Each client will receive at least quarterly from the custodian, a written report that details the client's account including assets held and asset value which will come from the custodian.

### ***Economic Benefits Provided by Third Parties for Advice Rendered to Clients***

CWAL will receive compensation from third-party advisers to which it directs clients.

Additionally, Charles Schwab & Co., Inc. Advisor Services provides CWAL with access to Charles Schwab & Co., Inc. Advisor Services' institutional trading and custody services, which are typically not available to Charles Schwab & Co., Inc. Advisor Services retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Charles Schwab & Co., Inc. Advisor Services. Charles Schwab & Co., Inc. Advisor Services includes brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For CWAL client accounts maintained in its custody, Charles Schwab & Co., Inc. Advisor Services generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Charles Schwab & Co., Inc. Advisor Services or that settle into Charles Schwab & Co., Inc. Advisor Services accounts.

Charles Schwab & Co., Inc. Advisor Services also makes available to CWAL other products and services that benefit CWAL but may not benefit its clients' accounts. These benefits may include national, regional or CWAL specific educational events organized and/or sponsored by Charles Schwab & Co., Inc. Advisor Services. Other potential benefits may include occasional business entertainment of personnel of CWAL by Charles Schwab & Co., Inc. Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist CWAL in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable), provide research, pricing information and other market data, facilitate payment of CWAL's fees from its clients' accounts (if applicable), and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of CWAL's accounts. Charles Schwab & Co., Inc. Advisor Services also makes available to CWAL other services intended to help CWAL manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, and human capital consultants, insurance and marketing. In addition, Charles Schwab & Co., Inc. Advisor Services may make available,

arrange and/or pay vendors for these types of services rendered to CWAL by independent third parties. Charles Schwab & Co., Inc. Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to CWAL. CWAL's recommendation that clients maintain their assets in accounts at Charles Schwab & Co., Inc. Advisor Services may be based in part on the benefit to CWAL of the availability of the foregoing products, services, and other arrangements and not solely on the nature, cost, or quality of custody and brokerage services provided by Charles Schwab & Co., Inc. Advisor Services, which creates a conflict of interest. However, as a fiduciary, CWAL endeavors to act in its clients' best interests to mitigate this conflict and any others. CWAL is independently owned and operated and not affiliated with Charles Schwab & Co., Inc. Advisor Services.

### ***Compensation to Non – Advisory Personnel for Client Referrals***

Heather Castle has entered into an arrangement with Wiser Advisor, an SEC registered firm (also known as Respond.com). Heather Castle pays a flat fee per year to be listed on the Wiser Advisor web site and pays a fixed fee of \$70-150 for each prospect referral. Heather Castle pays a fee to WiserAdvisor.com to receive web referrals, which are based on the geographical location of a prospective client. The fee paid is based on the number of referrals that are made each month, which may fluctuate from month to month. When looking for an advisor, the prospective clients would go to the WiserAdvisor.com site, fill out a short form identifying their financial needs and their contact information. WiserAdvisor.com will then send the prospective clients a list up to 3 advisors in their geographical area that meet the prospective client's criteria. Heather Castle does not charge clients that are referred through WiserAdvisor.com a higher fee than would be charged if they came direct to Heather Castle.

### ***Balance Sheet***

CWAL does not require nor solicit prepayment of more than \$500 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

### ***Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients***

Neither CWAL nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

### ***Bankruptcy Petitions in Previous Ten Years***

CWAL has not been the subject of a bankruptcy petition.

## **Item 10: Requirements for State Registered Advisers**

### *Material Relationships (If Any) With Issuers of Securities*

Neither CWAL, nor its management persons, has any relationship or arrangement with issuers of securities.