

**Form CRS – Client Relationship Summary**

**Introduction**

Jerry Borzello founded American Wealth Management, Inc. (AWM) in 1990 as a FINRA member and SEC registered broker/dealer (<http://www.finra.org/index.htm> and <http://www.sec.gov>). AWM is also a registered investment advisory firm. American Wealth Management, Inc. (AWM) has been a full service financial advisory firm for over 30 years and offers a broad selection of investment options. The firm's goal is to provide a boutique wealth management experience and to achieve its client's long-term goals and objectives.

There are different ways a client can seek investment advice. This document has been created to illustrate the different investment options AWM offers. There are key differences between the way we get paid depending on whether you receive services through AWM's broker/dealer or registered investment advisory department. It's important for you to understand these differences and make the right choice for your investment needs. There are free and simple tools available to research firms and financial professionals at [www.investor.gov/CRS](http://www.investor.gov/CRS) which also provides educational materials about investment advisers, broker-dealers and investing.

This Client Relationship Summary (Form CRS) provides a summary of the types of services we provide and how you pay for those services. Additional information about our advisory services is located in our Firm Brochure which is available at [www.americanwealthmanagement.com](http://www.americanwealthmanagement.com).

**What investment services and advice can you provide me?**

We offer both brokerage and investment advisory services to our clients.

**BROKERAGE (COMMISSION-BASED)**

As a broker/dealer, AWM's primary service is buying and selling securities at the client's direction. The AWM financial professional may offer recommendations to buy, sell, or hold securities, but the client will make the final investment decisions and **you will pay a one-time commission** at the time of a transaction. Some of the types of securities we offer include equities, fixed income, mutual funds, variable annuities. You may also hold these types of securities in an investment advisory (fee-based) account.

**INVESTMENT ADVISORY (FEE-BASED)**

The investment advisory programs offered by AWM includes:

**Fee Based - Investment Advisory Accounts: A**

managed account program may be:

**Discretionary** – The Registered Investment Advisor Representative makes investment decisions to buy, sell, or hold securities in the account.

**Non-Discretionary** – The Registered Investment Advisor Representative offers advice and recommendations to buy, sell or hold securities. The Client will make the final investment decision.

**For a fee-based account, you will be charged a percentage of the assets under management on a quarterly basis.**

**Questions to ask your professional:**

- **Given my financial situation, should I choose a commission-based brokerage account or a fee-based investment advisory service? Why or why not?**
- **How will you choose investments to recommend to me?**
- **What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?**

**Monitoring**

**Brokerage**

Unlike a Discretionary Investment Advisory Account, your AWM financial professional does not routinely provide monitoring services for the client's brokerage account(s). The financial professional may voluntarily review the holdings in a client's account(s) and may make a buy, sell, or hold recommendation. These buying/selling will be in accordance with the type of account program selected by the client.

**Investment Advisory**

If you have an investment advisory (fee-based) account, AWM and the Registered Investment Advisory Representative will conduct ongoing monitoring of the client's advisory accounts(s). Such reviews will pay particular attention to the client's objectives and risk tolerance. All voluntary account reviews do not represent an account monitoring service.

**Account Minimums**

**Brokerage**

AWM generally does not require a minimum account size to open a brokerage account. There are limited exceptions related to particular account types.

**Investment Advisory**

Other than limited exceptions, AWM does require a minimum account size to open an investment advisory account.

**What are your legal obligations to me when providing recommendations as my broker-dealer or when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?**

AWM and its Financial Professionals must abide by certain laws and regulations in our interactions with you.

As a broker-dealer, AWM may have an incentive to encourage a retail investor to trade often since a retail investor would be charged more when there are more trades in his or her account.

As an investment adviser, AWM may have an incentive to encourage the retail investor to increase the assets in his or her account since the more assets the firm manages, the more a retail investor will pay in fees.

**Questions to ask your financial professional:**

- **What were the most common conflicts of interest in your advisory and brokerage accounts?**
- **How might your conflicts of interest affect me, and how will you address them?**

When recommending security investments or investment strategies, AWM and its financial professionals will put the Client's best interest first. AWM financial professionals must treat the client fairly and comply with a number of specific obligations and regulations. If AWM or its Financial Advisors' interests conflicts with the Client's interests, the firm will manage, mitigate, or eliminate said conflicts and/or inform the Client of the conflicts.

#### What fees will I pay?

##### **BROKERAGE (COMMISSION-BASED)**

Brokerage account will incur transaction charges that may include the following:

- Commissions
- Markups and markdowns (similar to commissions)
- Upfront or ongoing fees that are paid to a mutual fund or other product issuer, a portion of which is paid to AWM in connection with the transaction; and
- Handling and processing fees on each securities transaction.

Depending upon your account and relationship, you may also incur periodic account maintenance or IRA custodial fee, as well as processing, service, and account fees upon certain events or occurrences. You will incur interest charges if you borrow on margin using a securities-based loan in any of your accounts. Certain investments, such as mutual funds, have embedded fees that are generally paid by you to the companies that sponsor, manage and/or promote the investment.

*Transaction charges differ from one product to another which creates an incentive to recommend products that have higher transaction charges. You will incur greater transaction charges when there are more trades in your account, which creates an incentive to encourage you to trade more often.*

##### **INVESTMENT ADVISORY (FEE-BASED)**

In an investment advisory account, you will incur advisory fees which are assessed quarterly at the rate you agreed upon with your financial professional (based on our established fee schedule). Generally, that will be a "wrap" fee that covers the applicable advisory fee, third party manager fees, execution charges on trades, and custody and clearing services. The wrap fee does not include commissions, and other charges for trades that a third-party manager directs to another broker/dealer. In addition, it does not include underlying management fees and operating expenses for investment products and other charges described in our advisory brochure.

During periods of lower trading activity, the advisory fee may be higher than the transaction charges you would have paid in a brokerage account. To determine whether an investment advisory account is appropriate for you, you should carefully analyze the projected costs of an investment advisory account versus a brokerage account based on factors such as expected size, volume and frequency of transactions, projected holding period and the advisory services provided by your financial professional.

*Because we and your financial professional are compensated based on the amount of assets in your account, we and your financial professional are incentivized to increase your assets.*

**You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.**

### Questions to ask your Professional

- **Help me understand how these fees and costs might affect my investment. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?**

#### **How do Financial Advisors make money?**

Most AWM Financial Professionals are compensated as described below:

- Commissions, markups and markdowns in brokerage accounts. These charges may vary by the specific type of securities product.
- Advisory fees in advisory accounts. Generally, these fees are assessed quarterly at the rate described in your advisory agreement. To compute the charge, multiply the Total Statement Value at the end of each Quarter by the contract rate as specified in your Investment Advisory Agreement (Schedule A). One-fourth of the annual fee is collected quarterly.
- Fees related to other products and services provided to the client. For example, a fee to create a Financial Plan.
- Ongoing fees, from mutual fund sponsors and certain other product issuers.

#### **Conflicts of Interest –**

Financial Professionals may benefit from a recommendation to the client. Some Financial Advisors may make extra commission by recommending certain products, sharing agreements with product sponsors, and/or through proprietary trading. AWM does not engage in any of these practices.

#### **Do you or your financial professional have legal or disciplinary history?**

Yes, please visit [www.investor.gov](http://www.investor.gov). [www.investor.gov/crs](http://www.investor.gov/crs) or FINRA Broker Check at [www.BrokerCheck.org](http://www.BrokerCheck.org) for details.

#### **Ask your financial professional:**

- **As a financial professional, do you have any disciplinary history? For what type of conduct?**

#### **Additional Information**

#### **Ask your financial professional:**

- **Who is my primary contact person?**
- **Is he or she a representative of an investment advisor or a broker/dealer?**
- **Who can I talk to if I have concerns about how this person is treating me?**

Additional information about AWM can be found at [www.americanwealthmanagement.com](http://www.americanwealthmanagement.com) or [www.investor.gov](http://www.investor.gov). AWM and our representatives may also be researched on Broker Check ([www.BrokerCheck.org](http://www.BrokerCheck.org)) by searching CRD # 25536 and by visiting [www.investor.gov/crs](http://www.investor.gov/crs) link. Clients may contact AWM at 770-392-8740.

*Disclaimer: This Form CRS is an SEC mandated summary disclosure on certain important topics about American Wealth Management, Inc. Statements in this Form CRS require that we act in your best interest when making brokerage recommendations. Our obligations under the SEC's Regulation Best Interest Rule are effective after the rule's compliance date (anticipated to be June 30, 2020). The information in this Form CRS is subject to the more complete terms and conditions of our brokerage or investment advisory agreements and disclosure and does not create or modify any agreement, relationship, or obligation you have with us.*