

Form CRS – Client Relationship Summary

Jerry Borzello founded American Wealth Management, Inc. (“AWM”) in 1990 as a FINRA member and SEC-registered broker. October 2024 Gavin Borzello, Jerry’s son who worked with Jerry as an advisor, assistant, and compliance principal succeeded Jerry as President of AWM. On 10.31.2024 we transitioned to a full-time SEC-registered investment advisory firm. There are free and simple tools available to research firms and financial professionals at www.Investor.gov/CRS which also provides educational materials about investment advisers and investing.

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 boutique wealth management experience and to achieve its client’s long-term goals and objectives.

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.

What investment services and advice can you provide me?

We offer investment advisory services to our retail investor clients.

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 ultimate investment decision.

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

Monitoring

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 account(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

Investment Advisory

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

Questions to ask your professional:

- **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?**
- **What fees will I pay? INVESTMENT ADVISORY (FEE-BASED)**

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.

Fee-based accounts are offered in 2 forms, investment advisory accounts or wrap fee accounts both of which are assessed quarterly fees at an agreed upon annual rate.

For the advisory accounts, there are 2 types: one that clears through Raymond James and another that utilizes Charles Schwab as a custodian. The AWM accounts that go through Raymond James pass through to the client a marginal clearing cost per transaction to the client.

The other advisory account AWM offers through TD Ameritrade (soon to be Charles Schwab) there are no clearing fees on equity and ETF transactions. There are some clearing fees for other investment vehicles (mutual funds, and fixed income) which are variable and passed on to the client.

The other alternative fee-based product offers a “wrap” fee account that covers the applicable advisory fee, third-party manager fees, execution charges on trades, including custody and clearing services that can increase the negotiated fee. 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. Clearing fees for other investment vehicles (mutual funds, and fixed income) which are variable and passed on to the client.

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

When we provide you with a recommendation as your investment adviser, we must act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations and investment advice we provide you. Here are some examples to help you understand what this means:

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 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 Professional's interests conflicts with the Client's interests, the firm will manage, mitigate, or eliminate said conflicts and/or inform the Client of the conflicts.

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 your financial professionals make money?

Most AWM Financial Professionals are compensated as described below:

- 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 an extra commission by recommending certain products, sharing agreements with product sponsors, and/or through proprietary trading.

Do you or your financial professional have a legal or disciplinary history?

Yes, please visit www.investor.gov/crs for a free and simple search tool to research AWM and our financial professionals.

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. AWM and our representatives may also be researched on Broker Check (www.BrokerCheck.org) or by visiting www.investor.gov/crs or clients may contact AWM at 770-392-8740.

Compliance and Internal Controls

Rule 206(4)-7(a) (the "Compliance Rule") under the **Investment Advisers Act of 1940** ("Advisers Act")

In accordance with the requirement for registered investment advisories to adopt and implement written policies and procedures reasonably designed to prevent violations of the Advisers Act by the adviser or any of its supervised persons. American Wealth Management, Inc. has put in place policies and procedures to enhance the advisories review in identifying conflicts of interests in areas such as operations, clients' best interests in the portfolio management process, and updating compliance areas of focus in order to minimize risk exposure to our advisers and their clients. A regular and consistent process of monitoring these aspects of a firm's particular operations and compliance policies and procedures will allow us to identify areas of risk or exposure that need resolution for our operations. In order to maintain updated procedures and ensure our firm stays up to date on these key processes in accordance with the "The Compliance Rule" our advisory will review and report, no less frequently than annually, the adequacy of our policies and procedures established and the effectiveness of their implementation.

This annual review will be our compass to provide direction of any necessary modifications to our procedures that the compliance monitoring process reveals needing attention. Critical functions of our operations will be reviewed at various time periods during the year depending on the area of focus and the attention necessary. These time periods may range from continuous, monthly, to quarterly. Throughout the quarter data will be collected and consolidated to assist in reporting any findings which may also include regulatory alerts and updates that have been identified by the firm or flagged as areas that may need updating in our WSP's. We feel a more timely and concentrated review will provide the highest quality of service and protection to our customers and optimize our fiduciary duties.

Chief Compliance officer ("CCO") Gavin Borzello will be responsible for administering the firm's compliance policies and procedures.

Annual Review

Areas of Compliance Focus Periodic Review Checklist:

Below are the areas of testing we will focus our attention on. Certain areas may be tested through random sample review, other areas any key data will be collected on an as is basis. Every quarter any areas that require attention will be reported on and consolidated in the final annual review where it will be used as a guide in the maintenance in our investment advisory procedures.

Fee calculation / billing: *Annually tested with financial audit through our accountants*

CRS: *key aspect of the CRS collected and reviewed quarterly*

CRS distribution collected at account opening or upon making a solicited account recommendation tested by random sample quarterly areas of regulatory focus;

- i. Preparation and periodic review, and updating of material changes
- ii. Filing of the Form CRS during both annual ADV updates (Part 3 Form ADV) and IARD and at any amended IARD filing due to material changes
- iii. Timely delivery of Form CRS to current and prospective retail investors / clients
- iv. Recordkeeping requirements of Form CRS
- v. Posting of Form CRS to American Wealth Management, Inc's website

Books and Records: *collected quarterly and reviewed annually*

PTE 2020, New Account Checklist, advertising and written communications, bank records, bills, and statements, written agreements, written compliance policies, and Adviser's Form ADV Part II, written compliance policies, corporate formation and governance documents, independent contractors' agreements

Electronic Communications Surveillance: *reviewed monthly* through archiving software "Message Watcher" and *collected quarterly* any violations or relevant flags

Best Execution: *Quarterly review* of trade reporting quality Rule 606, any escalated communications will be documented and feedback will be notated

Business Continuity Plan: *reviewed annually*

AML: Regulatory Notices, critical custodian updates, LOAs on wires, any flagged activity continuously reviewed *data collected and reported on quarterly*, **also at current time an annual AML audit performed by our consultant's B/D Solutions.**

Advertising/social media: *data collected and reported on quarterly*

Cyber security: continuous monitoring of firewall to make sure there are no intrusions *reported on quarterly* by SOS Management Systems provided by technology account manager.

Code of Ethics: reviewed annually *any changes included in annual report*

Portfolio Management – Suitability- portfolio consistency: monitored continuously through Supervisory Center and random account sampling to be *reported on quarterly*

Fraud Theft Prevention-protection of client information: CIP data collected during new account opening and New Account Checklist reviewed quarterly and randomly checked for delivery