

## Warwick Shore Advisors

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Form ADV Part 2A- Brochure  
March 1, 2021



*This brochure provides information about the qualifications and business practices of Warwick Shore Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (407) 440-3642 or by email at: [paul@warwickshore.com](mailto:paul@warwickshore.com). 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 Warwick Shore Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Warwick Shore Advisors, LLC's CRD number is: 293782.*

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[www.warwickshore.com](http://www.warwickshore.com)

*Registration does not imply a certain level of skill or training.*

Date of Brochure: June 2021



## Item 2: Material Changes

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

1. Warwick Shore Advisors has moved its principal location to the address listed below. We have also added a new corporate phone number.

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

Warwick Shore Advisors, LLC (hereinafter “WSA”) is a Limited Liability Company organized in the State of Florida. The firm was formed in December 2016, and the principal owner is Paul Zachary Shelton Jr.

### B. Types of Advisory Services

#### *Portfolio Management Services*

WSA offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. Based on those factors, WSA works with each client to identify the best asset allocation, which outlines the client's current situation (income, tax levels, and risk tolerance levels). Portfolio management services include, but are not limited to, the following:

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

WSA evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. WSA will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented and reflected in the asset allocation and client agreement, which is given to each client.

WSA seeks to provide investment decisions that are made in accordance with the fiduciary duties owed to its accounts and without consideration of WSA's economic, investment or other financial interests. To meet its fiduciary obligations, WSA attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, WSA's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is WSA's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

Quantitative Portfolio Strategies (QPS) is a series of model portfolios that are managed by WSA. Based on risk tolerance clients may be placed in one of these models or have a personalized portfolio designed to meet unusual circumstances. When providing services for endowments, foundations and/or corporate organizations, WSA can develop a personalized investment policy statement to meet specific needs of the organization.



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

WSA generally limits its investment advice to mutual funds, fixed income securities, equities, hedge funds, private equity funds, ETFs, MLP's, alternative investments and private placements. WSA may use other securities as well to help diversify a portfolio when applicable.

### *Financial Planning Services*

We offer broad-based, consultative financial planning services. Financial planning will typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. If you retain our firm for financial planning services, we will meet with you to gather information about your financial circumstances and objectives. Once we specify those long-term objectives (both financial and non-financial), we will develop shorter-term, targeted objectives. Once we review and analyze the information you provide to our firm and the data derived from our financial planning software, we will deliver a written plan to you, designed to help you achieve your stated financial goals and objectives. We may meet with your other professional advisors (financial, legal, real estate, tax, etc.) for a series of information gathering and/or implementation meetings.

As your financial situation, goals, objectives, or needs change, you must notify Warwick Shore Advisors promptly. In limited circumstances, you may only require advice on a single aspect of your financial resources. In these circumstances, we offer financial plans in a targeted format and/or general consulting services that address only those specific areas of interest or concern. Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to our firm. You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through our other investment advisory services. The topics that may be included as part of the financial plan, but are not necessarily limited to, the following:

1. Investments
2. Retirement Planning
3. Educational Planning
4. Estate Planning
5. Long-term care
6. Insurance Planning
7. Debt Management
8. Tax Planning
9. Organizational structure





## 10. Specific Life Events

We meet with each client to explain the financial plan and our recommendations. Furthermore, we are available to work with the client throughout the year to implement the plan. The plan is updated to take into account changes in the client's financial situation as well as changes in the investment markets, tax laws, estate planning laws, and so on. The client is ultimately responsible for communicating changes in circumstances to WSA so that we can provide the most accurate advice and counsel possible. A financial representative from WSA is available to assist with the implementation of the plan and to answer any client questions, but the client is ultimately responsible for the implementation or rejection of our recommendations.

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

WSA offers the same suite of services to all clients. However, specific client investment strategies and their implementation are dependent upon the asset allocation within the client agreement. The asset allocation is derived from each client's current situation (income, tax levels, goals and risk tolerance levels). 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 WSA from properly servicing the client account, or if the restrictions would require WSA to deviate from its standard suite of services, WSA reserves the right to end the relationship.

### **D. Wrap Fee Programs**

A wrap fee program is an investment program wherein the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. WSA does **not** participate in any wrap fee programs.

### **E. Assets Under Management**

WSA has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$1,200,000	\$0	March 1, 2021



## Item 5: Fees and Compensation

### A. Fee Schedule

#### *Portfolio Management Fees*

Total Assets Under Management	Annual Fees
\$1 - \$3,000,000	1.00%
\$3,000,001 - \$5,000,000	0.85%
\$5,000,001 - \$10,000,000	0.70%
\$10,000,001 - And Up	0.50%

WSA uses an average of the daily balance in the client's account throughout the billing period, after considering deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based.

These fees are generally negotiable, and the final fee schedule will be memorialized in the client's advisory agreement. Clients may terminate the agreement without penalty for a full refund of WSA's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract immediately upon written notice.

#### *Performance-Based Fees for Portfolio Management*

WSA may charge performance-based fees for proprietary separately managed accounts (SMA). These SMA accounts typically invest in ETF's, stocks and will include options on a tactical basis. Qualified clients will pay an annual fee of 1.00% of assets under management along with a 10.00% performance fee based on capital appreciation. If the client's portfolio rises in value, the client will pay 10.00% on that increase in value, but if the portfolio drops in value, the client will not incur a new performance fee until the portfolio reaches the last highest value, adjusted for withdrawals and deposits, which is generally known as a "high water mark."

The Tactical Portfolios will charge a performance fee based on a share of capital gains on or capital appreciation of the assets of a client. To qualify for a performance-based fee arrangement, a natural person client must either demonstrate a net worth of at least \$2,100,000 (excluding the person's primary residence) or must have at least \$1,000,000 of assets under management immediately after entering into a management agreement with WSA. Performance-based fees will only be charged in accordance with the requirements of the Investment Advisers Act of 1940.



The high-water mark will be the highest value of the client's account on the last day of any previous quarter, after accounting for the client's deposits or withdrawals for each billing period.

These fees are generally negotiable, and the final fee schedule will be memorialized in the client's advisory agreement. This service may be canceled immediately upon written notice. Clients must pay the prorated performance-based fees for the billing period in which they terminate the Investment Advisory Contract up to and including the day of termination.

### ***Financial Planning Fees***

At the discretion of WSA, we may enter into an engagement with a client to create a one-time, fully-customized financial plan on a fee basis. WSA rarely agrees to enter into such an arrangement. The financial plan will include topics described in the preceding section (Item 4 Advisory Business) as agreed upon by WSA and the client. Fees for such a plan are determined on a case by case basis, based on the level of expertise and sophistication required to deliver such a plan. However, fees are generally charged on a fixed fee basis ranging between \$1,250 and \$7,500 depending on the breadth of services provided, the complexity of the client's situation, and the advisory representative providing services to the client. Prior to commencing financial planning services, the client will be required to enter into an agreement for services.

## **B. Payment of Fees**

### ***Payment of Portfolio Management Fees***

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis. Fees are paid in arrears.

### ***Payment of Performance-Based Portfolio Management Fees***

Performance-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis. Fees are paid in arrears.

## **C. Client Responsibility for Third-party Fees**

WSA will not wrap third-party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Clients will pay all third-party fees as denoted above.

## **D. Prepayment of Fees**

WSA collects its fees in arrears. It does not collect fees in advance.



## **E. Outside Compensation for the Sale of Securities to Clients**

Neither WSA nor its supervised persons accept any compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

WSA manages accounts that are billed on performance-based fees (a share of capital gains on or capital appreciation of the assets of a client) and may as well manage accounts that are not billed on performance-based fees. Managing both kinds of accounts at the same time presents a conflict of interest because WSA and/or its supervised persons have an incentive to favor accounts for which WSA receives a performance-based fee. WSA addresses the conflicts by ensuring that clients are not systematically advantaged or disadvantaged due to the presence or absence of performance-based fees. WSA seeks best execution and upholds its fiduciary duty for all clients.

Clients paying a performance-based fee should be aware that investment advisers have an incentive to invest in riskier investments when paid a performance-based fee due to the higher risk/higher reward attributes.

## **Item 7: Types of Clients**

WSA generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Families
- ❖ Charitable Organizations
- ❖ Foundations
- ❖ Endowments
- ❖ Retirement Plans

The account minimum for any of WSA's services is \$500,000. This is negotiable and waived by WSA in certain situations.

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

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

#### *Methods of Analysis*

WSA's methods of analysis include Cyclical analysis, Fundamental analysis, Modern portfolio theory, Quantitative analysis and Technical analysis.



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

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**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.

**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.

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

### *Investment Strategies*

WSA uses long term trading, short term trading, margin transactions 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.**

## **B. Material Risks Involved**

### *Methods of Analysis*

**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.

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Modern portfolio theory** assumes that investors are risk averse, 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.

**Quantitative analysis** Investment strategies using quantitative models may perform differently than expected because 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.

**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 consider new patterns that emerge over time.

### ***Investment Strategies***

WSA's use of margin transactions and options trading generally holds greater risk, and clients should be aware that there is a material risk of loss using any of those strategies.

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Margin transactions** use leverage that is borrowed from a brokerage firm as collateral. When losses occur, the value of the margin account may fall below the brokerage firm's threshold thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets on a shorter time frame than desired.

**Options transactions** involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value, as well as the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

**Selection of Other Advisers:** Although WSA will seek to select only money managers who will invest clients' assets with the highest level of integrity, WSA's selection process cannot ensure that money managers will perform as desired and WSA will have no control over the day-to-day operations of any of its selected money managers. WSA would not necessarily be aware of certain activities at the underlying money manager level, including without limitation a money manager's engaging in unreported risks, investment "style drift" or even regulatory breaches or fraud.

**Short term trading** risks include liquidity, economic stability, and inflation, in addition to the long-term trading risks listed above. Frequent trading can affect investment



performance, particularly through increased brokerage and other transaction costs and taxes.

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

### **C. Risks of Specific Securities Utilized**

WSA's use of margin transactions 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 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.

**Hedge funds** often engage in leveraging and other speculative investment practices that may increase the risk of loss; can be highly illiquid; are not required to provide periodic pricing or valuation information to investors; May involve complex tax structures and delays in distributing important tax information; are not subject to the same regulatory





requirements as mutual funds; and often charge high fees. In addition, hedge funds may invest in risky securities and engage in risky strategies.

**Private equity** funds carry certain risks. Capital calls will be made on short notice, and the failure to meet capital calls can result in significant adverse consequences, including but not limited to a total loss of investment.

**Private placements** carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

**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.

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

## Item 9: Disciplinary Information

### A. Criminal or Civil Actions

There are no criminal or civil actions to report.

### B. Administrative Proceedings

There are no administrative proceedings to report.

### C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.





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

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

Neither WSA nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

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

Neither WSA nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

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

Paul Shelton is an investment adviser representative with another investment advisory firm. From time to time, he may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. WSA always acts in the best interest of the client and clients always have the right to decide whether or not to utilize the services of any WSA representative in such individual's outside capacities.

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

WSA does not utilize nor select third-party investment advisers.

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

### **A. Code of Ethics**

WSA 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. WSA's Code of Ethics is available free upon request to any client or prospective client.

### **B. Recommendations Involving Material Financial Interests**

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

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

From time to time, representatives of WSA may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of WSA 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. WSA 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.

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

From time to time, representatives of WSA may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of WSA 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, WSA will never engage in trading that operates to the client's disadvantage if representatives of WSA buy or sell securities at or around the same time as clients.

## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker/Dealers**

Custodians/broker-dealers will be recommended based on WSA's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and WSA may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in WSA's research efforts. WSA will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.



WSA will require clients to use TD Ameritrade Institutional, a division of TD Ameritrade, Inc. Member FINRA/SIPC.

### ***1. Research and Other Soft-Dollar Benefits***

While WSA has no formal soft dollar's program in which soft dollars are used to pay for third-party services, WSA may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). WSA may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and WSA does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. WSA benefits by not having to produce or pay for the research, products or services, and WSA will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that WSA's acceptance of soft dollar benefits may result in higher commissions charged to the client.

### ***2. Brokerage for Client Referrals***

WSA receives no referrals from a broker-dealer or third-party in exchange for using that broker-dealer or third-party.

### ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

WSA will require clients to use a specific broker-dealer to execute transactions. Not all advisers require clients to use a particular broker-dealer.

## **B. Aggregating (Block) Trading for Multiple Client Accounts**

If WSA buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, WSA would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. WSA would determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any).

## **Item 13: Review of Accounts**



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

All client accounts for WSA's advisory services provided on an ongoing basis are reviewed at least Quarterly by Paul Z Shelton, Principal, with regard to clients' respective investment policies and risk tolerance levels. All accounts at WSA are assigned to this reviewer.

### **B. 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).

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

Each client of WSA's advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian. WSA will also provide at least quarterly a separate written statement to the client.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

WSA participates in the institutional advisor program (the "Program") offered by TD Ameritrade. TD Ameritrade offers to independent investment advisor services which include custody of securities, trade execution, clearance and settlement of transactions. WSA receives some benefits from TD Ameritrade through its participation in the Program.

As disclosed above, WSA participates in TD Ameritrade's institutional advisor program and WSA may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between WSA's participation in the Program and the investment advice it gives to its clients, although WSA receives economic benefits through its participation in the Program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving WSA participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have WSA's fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual



funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to WSA by third-party vendors. TD Ameritrade may also pay for business consulting and professional services received by WSA's related persons. Some of the products and services made available by TD Ameritrade through the Program may benefit WSA but may not benefit its client accounts. These products or services may assist WSA in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help WSA manage and further develop its business enterprise. The benefits received by WSA or its personnel through participation in the Program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, WSA endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by WSA or its related persons in and of itself creates a conflict of interest and may indirectly influence the WSA's choice of TD Ameritrade for custody and brokerage services.

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

WSA does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

### **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, WSA will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

### **Item 16: Investment Discretion**

WSA provides discretionary and non-discretionary investment advisory services to clients. The advisory contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, WSA generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share.

### **Item 17: Voting Client Securities (Proxy Voting)**

WSA 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 18: Financial Information**

### **A. Balance Sheet**

WSA neither requires nor solicits prepayment of more than \$500 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

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

Neither WSA nor its management has any financial condition that is likely to reasonably impair WSA's ability to meet contractual commitments to clients.

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

WSA has not been the subject of a bankruptcy petition in the last ten years.

## **Item 19: Requirements For State Registered Advisers**

### **A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background**

WSA currently has only one management person: Paul Zachary Shelton Jr. Education and business background can be found on the individual's Form ADV Part 2B brochure supplement.

### **B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)**

Other business activities for each relevant individual can be found on the Form ADV Part 2B brochure supplement for each such individual.

### **C. Calculation of Performance-Based Fees and Degree of Risk to Clients**



WSA accepts performance-based fees, fees based on a share of capital gains on or capital appreciation of the assets of client accounts that invest in the firm's proprietary Global Tactical ETF separately managed account (SMA) strategy.

### ***Performance-Based Fees for Portfolio Management***

Qualified clients will pay a quarterly fee of 0.25% of assets under management along with a 10.00% performance fee based on capital appreciation. If the client's portfolio rises in value, the client will pay 10.00% on that increase in value, but if the portfolio drops in value, the client will not incur a new performance fee until the portfolio reaches the last highest value, adjusted for withdrawals and deposits, which is generally known as a "high water mark."

The high water mark will be the highest value of the client's account on the last day of any previous quarter, after accounting for the client's deposits or withdrawals for each billing period.

These fees are generally negotiable and the final fee schedule will be memorialized in the client's advisory agreement. This service may be canceled immediately upon written notice. Clients must pay the prorated performance-based fees for the billing period in which they terminate the Investment Advisory Contract up to and including the day of termination.

Clients paying a performance-based fee should be aware that investment advisers have an incentive to invest in riskier investments when paid a performance-based fee due to the higher risk/higher reward attributes.

#### **D. Material Disciplinary Disclosures for Management Persons of this Firm**

There are no civil, self-regulatory organization, or arbitration proceedings to report under this section.

#### **E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)**

See Item 10.C and 11.B.

## **Item 20: Insurance and Liability Protection**



WSA has obtained and will maintain a general liability and a cyber insurance policy for business operation security.

