

Cover Page - Item 1

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February 3, 2021

Form ADV Part 2A Brochure

Cathy Pareto and Associates, Inc. (hereinafter "Cathy Pareto and Associates") is a registered investment adviser. An "investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of Cathy Pareto and Associates, Inc. If you have any questions about the contents of this brochure, please contact us at (305) 648-9814 and/or Cathy.Pareto@cathypareto.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 Cathy Pareto and Associates, Inc. is available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes - Item 2

This item will discuss material changes that were made to the firm's Form ADV Part 2 Brochure since the firm's last annual update and provide clients with a summary of such changes.

On February 3, 2021, we submitted our annual updating amendment filing for fiscal year 2020 and we amended Item 4 of our Form ADV Part 2A Brochure to report discretionary assets under management of \$173,924,464 and \$0 in non discretionary assets under management.

If you would like to receive a complete copy of our current brochure free of charge at any time, please contact us at (305) 648-9814.

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Advisory Business - Item 4

Cathy Pareto and Associates is a registered investment advisor based in Coral Gables, Florida. We are a corporation formed under the laws of the State of Florida and we have been providing investment advisory services since 2008.

Cathy Pareto, CFP® is the sole owner. Currently, we offer the following investment advisory services, personalized to each individual client:

- **Wealth Management Services**
- **Portfolio Management Services**
- **Financial Planning Services**

The following paragraphs describe what we do and what we charge. Each investment advisory service is listed below and describes how we tailor our advisory services to your individual needs. Also, you may see the term Associated Person throughout this Brochure. As used in this Brochure, this term refers to anyone from our firm who is an officer, employee, and all individuals providing investment advice on behalf of our firm.

Wealth Management Services

Cathy Pareto and Associates provides wealth management services to clients. At the beginning of the relationship, clients receive a financial plan that is used to: (i) determine and prioritize the client's personal and financial goals, needs and objectives; (ii) gather pertinent data and documents, through personal meetings and interviews with the client; (iii) analyze and evaluate the client's overall financial situation; (iv) develop and present financial planning recommendations; (v) assist in the implementation of the financial plan; and (vi) monitor the plan on an ongoing basis. Further details about our financial planning process are provided in the Financial Planning Services section below.

Once a financial plan is delivered, clients can implement the investment recommendations provided in the financial plan through our portfolio management services described in more detail below.

Portfolio Management Services

Asset management refers to the management of money, including investments. Assets are usually held in what is called a portfolio. Determining the types and quantities of securities to hold in a portfolio is referred to as portfolio management.

Our firm offers discretionary portfolio management services to our clients. Discretionary portfolio management means we will make investment decisions and place buy or sell orders in your account without contacting you. These decisions would be made based upon your stated investment objectives and risk tolerance.

Our investment advice is tailored to meet our clients' needs and investment objectives. If you decide to hire our firm to manage your portfolio, we will meet with you to gather your financial information, determine your goals, and decide how much risk you should take in your investments. The information we gather will help us implement an asset allocation strategy that will be specific to your goals, whether we are actively investing for you or simply providing you with advice.

There are a few ways we might create your investment portfolio depending on what we decide would work best for you. We may customize a portfolio for you based on the goals and risk we determined during the information gathering process. Or, we might use a predetermined strategy rather than choosing individual securities. Alternatively, it may be that one of the model portfolios developed by our firm would be the best fit for your needs.

Cathy Pareto and Associates mainly uses equity securities, exchange traded funds, mutual funds, corporate securities, municipal securities and U.S. government securities in its portfolio management programs.

However we construct your investment portfolio, we will monitor your portfolio's performance on an ongoing basis, and rebalance the portfolio whenever necessary, as changes occur in market conditions, your financial circumstances, or both.

As outlined above, discretionary portfolio management services means that once the portfolio has been agreed upon, the ongoing supervision and management of the portfolio will be our responsibility. This authority is granted to us by you in a written agreement. This allows our firm to decide on specific securities, the quantity of the securities and placing buy or sell orders for your account without obtaining your approval for each transaction. This type of authorization is done using either the investment advisory agreement you sign with our firm, a limited power of attorney agreement, or trading authorization forms. You may limit this authority if you wish by, for example, setting a limit on the type of securities that can be purchased for your account. Simply provide us with your restrictions or guidelines in writing.

If you wish to terminate this service, you can do so by writing a letter to us at least [30] days before the designated termination date. There will be a charge to you for any service performed by us in the partial billing period in which you gave termination notice. This fee will be calculated *pro rata*, which means only in proportion to the number of days in the billing period for which you are a client. *If you have pre-paid advisory fees that we have not yet earned, you will receive a pro-rated refund of those fees.*

We recommend that you review the statement(s) you receive from the qualified custodian. If you see something that is incorrect, please call our main office number, located on the cover page of this brochure.

Financial Planning Services

We offer broad based financial planning including tax planning, charitable gifting strategies, estate and retirement planning and preparation for life transitions including family wealth planning. Cathy Pareto and Associates achieves a client's long-term financial goals by implementing a financial planning process that may include the following steps:

1. Assessment of a client's present financial situation by collecting information regarding net worth and cash flow statements, tax returns, insurance policies, investment portfolios, pension plans, employee benefit statements etc.
2. Identification of a client's financial and personal goals and objectives. Goals or objectives may include financing a child's college education or retirement planning. The identified goals or objectives are specific, realistic and measurable. All goals include time horizons.
3. Resolution of finance related problems. Obstacles to achieving financial independence are identified so that resolution may occur. Examples of problem areas can include too little or too much insurance coverage, inadequate cash flow or a high tax burden.
4. Plan Design. A written financial plan is prepared that includes recommendations and solutions to any financial related problems.
5. Implementation of the financial plan. The financial plan is finalized and agreed upon. The recommendations and solutions are executed by the client to reach the desired goals and objectives unless the client hires Cathy Pareto and Associates to implement the financial plan through its Wealth Management Service.
6. Evaluation of the financial plan is conducted periodically as part of the Wealth Management Service. Updates to the financial plan can be made as needed at an additional fee if not part of the Wealth Management Service.

Financial plans are based on your financial situation and the financial information you provide to our firm. If your financial situation, goals, objectives, or needs change, you must notify us promptly.

We also provide financial planning services that cover a specific area, such as retirement or estate planning. We offer consultative services where we set an appointment to meet with you for financial planning advice for an hourly fee.

You may choose to accept or reject our recommendations. If you decide to proceed with our recommendations, you may do so either through our investment advisory services or by using the advisory/brokerage firm of your choice.

Assets Under Management

As of January 15, 2021, we manage \$173,924,464 in client assets, all on a discretionary basis.

Fees and Compensation - Item 5

Cathy Pareto and Associates charges fees based on percentage of assets under management, hourly charges, fixed fees or other fees for its advisory services. At the sole discretion of Cathy Pareto and Associates, these fees are negotiable.

Wealth Management Services Fees

Wealth management clients are first charged a financial planning service fee in accordance with the broad based financial plan fee schedule and payment arrangements listed in the Financial Planning Services Fees section below. Our portfolio management services fees and payment arrangement are disclosed below.

Portfolio Management Services Fees

If you decide to engage Cathy Pareto and Associates for portfolio/asset management services, we will do so on a fee basis. We will charge an annual fee based upon a percentage of the market value of the assets being managed. Our fee for portfolio/asset management services is set forth in the following blended fee schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
First \$1,000,000	1.00% per year
Next \$1,000,000	0.75% per year
Next \$3,000,000	0.50% per year
Over \$5,000,000	0.40% per year

For example, a client with a managed account worth \$3,000,000, will incur the following annual asset management fee:

First \$1,000,000 x 1.0%: \$10,000

Next \$1,000,000 x 0.75%: \$7,500

Next \$1,000,000 x 0.50%: \$5,000

Total annual fee: \$22,500

Cathy Pareto and Associates generally requires a minimum of \$500,000 to open and maintain an individually managed account. This account minimum may be waived at the discretion of the Firm. Where the Firm waives this account minimum, the annual fee will be set at 1.50%, subject to a \$5,000 minimum annual fee.

Cathy Pareto and Associates allows the accounts for members of the same household to be combined for fee-paying purposes. We combine the account valuations to assist you in meeting fee breakpoints and therefore lowering the overall fee level. Cathy Pareto and Associates extends this option to all accounts residing in the same household.

In limited circumstances, other fee arrangements may be negotiated. For example, at our discretion, we may agree to an annual fixed fee for management services. Such arrangements are negotiable on a client-by-client basis and will be clearly set forth in the management agreement with our firm.

Cathy Pareto and Associates will either bill you directly for payment of our fees or the fees will be deducted from your account. Fees are billed quarterly, in arrears and are based on the value of your portfolio at the end of the preceding quarter (or on the negotiated fixed fee, where applicable). Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client asset account to facilitate billing. The qualified custodian will provide you with an account statement at least quarterly. This statement will detail all account activity, including the advisory fees deducted from your account(s).

Our annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses, which will be incurred by the client. However, we will not receive any portion of the commissions, fees, and costs. Please see Item 12 – Brokerage Practices for further information on brokerage and transaction costs.

For the initial period of investment management services, the first period's fees will be calculated on a pro-rata basis. The Advisory Agreement between Cathy Pareto and Associates and the client will continue in effect until either party terminates the Agreement in accordance with the terms of the Agreement. Cathy Pareto and Associates' annual fee will be pro-rated through the date of termination and any remaining balance shall be charged or refunded to the client, as appropriate, in a timely manner.

Financial Planning Services Fees

Cathy Pareto and Associates may provide its clients with financial planning and consulting services. Cathy Pareto and Associates will charge a fixed fee and/or hourly fee for consulting services. Our consulting fees are negotiable. We utilize the following financial planning fee schedules:

- *Fixed Fees:* For broad based financial plans, Cathy Pareto and Associates will charge a fixed fee that ranges from \$3,500.00 to \$5,000.00, for broad based planning services. *In limited circumstances*, the total cost could potentially exceed \$5,000.00. In such cases, we will notify the client and may request that the client pay an additional fee.

- *Hourly Fees:* Cathy Pareto and Associates charges an hourly fee of up to \$350 with a minimum engagement of 6 hours for clients who request specific services (such as a modular plan or hourly consulting services) and do not desire a broad based written financial plan.

Prior to engaging Cathy Pareto and Associates to provide consulting services, the client will generally be required to enter into a written agreement with us. The agreement will set forth the terms and conditions of the engagement and describe the scope of the services to be provided and the portion of the fee that is due from the client. Generally, Cathy Pareto and Associates requires one-half of the consulting fee (estimated hourly or fixed) payable upon entering the written agreement. The balance is generally due upon the completion of the agreed upon services. Either party may terminate the agreement by written notice to the other. In the event the client terminates Cathy Pareto and Associates' consulting services, the balance of Cathy Pareto and Associates' unearned fees (if any) shall be refunded to the client.

Additional Fees and Expenses

The fees Cathy Pareto and Associates charges may be negotiable based on the amount of assets under management, complexity of client goals and objectives, and level of services rendered. As described above, the fees are charged as described and are not based on a share of capital gains of the funds of an advisory client. All fees paid to Cathy Pareto and Associates for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without the services of Cathy Pareto and Associates. In that case, the client would not receive the services provided by Cathy Pareto and Associates, which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by Cathy Pareto and Associates to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

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

Cathy Pareto and Associates does not charge performance-based fees.

Types of Clients - Item 7

We offer investment advisory services to individuals, pension and profit sharing plan participants, guardianships, trusts and estates.

Cathy Pareto and Associates requires a minimum of \$500,000 to open and maintain an advisory account. At our sole discretion, we may waive this requirement. This requirement can be met by combining two or more accounts owned by you or related family members. Where the Firm waives this account minimum, the annual fee will be set at 1.50%, subject to a \$5,000 minimum annual fee.

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

The following are different methods of analysis that we may use when providing you with investment advice:

- Charting – charting is a technique that attempts to forecast future market moves by studying historical data on charts.
- Fundamental Analysis – fundamental analysis is a technique that attempts to determine a security's value by focusing on underlying factors that affect a company's actual business and its future prospects. The term refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements.
- Technical Analysis – technical analysis is a technique that relies on the assumption that current market data (such as charts of price, volume, and open interest) can help predict future market trends, at least in the short term. It assumes that market psychology influences trading and can predict when stocks will rise or fall.
- Cyclical Analysis – cyclical analysis is a technique that looks at cycles, specifically analyzing the way prices follow certain patterns and trends.

We may use one or more of the following investment strategies when advising you on investments:

- Long Term Purchases – securities held for over a year.
- Short Term Purchases – securities held for less than a year.

The investment advice provided along with the strategies suggested by Cathy Pareto and Associates will vary depending on each client's specific financial situation and goals. Investing in securities involves risk of loss that clients should be prepared to bear. This brief statement does not disclose all of the risks and other significant aspects of investing in financial markets. In light of the risks, you should fully understand the nature of the contractual relationship(s) into which you are entering and the extent of your exposure to risk. Certain investing strategies may not be suitable for many members of the public. You should carefully consider whether the strategies employed would be appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

General Investment Risk: All investments come with the risk of losing money. Investing involves substantial risks, including complete possible loss of principal plus other losses and may not be suitable for many members of the public. Investments, unlike savings and checking accounts at a bank, are not insured by the government to protect against market losses. Different market instruments carry different types and degrees of risk and you should familiarize yourself with the risks involved in the particular market instruments you intend to invest in.

Loss of Value: There can be no assurance that a specific investment will achieve its investment objectives and past performance should not be seen as a guide to future returns. The value of investments and the income derived may fall as well as rise and investors may not recoup the original amount invested. Investments may also be affected by any changes in exchange control regulation, tax laws, withholding taxes, international, political and economic developments, and government, economic or monetary policies.

Interest Rate Risk: Fixed income securities and funds that invest in bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, and their prices fall when interest rates rise. Longer-term debt securities are usually more sensitive to interest rate changes.

Credit Risk: Investments in bonds and other fixed income securities are subject to the risk that the issuer(s) may not make required interest payments. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

Foreign Exchange Risk: Foreign investments may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rates. Changes in currency exchange rates may influence the share value, the dividends or interest earned and the gains and losses realized. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation and other economic and political conditions. If the currency in which a security is denominated appreciates against the US Dollar, the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

Disciplinary Information - Item 9

Cathy Pareto and Associates has not been subject to any disciplinary events.

Other Financial Industry Activities or Affiliations - Item 10

Louis Benjamin Carpenter, III, an investment adviser representative of Cathy Pareto and Associates, is the sole owner of LB Carpenter CPA, PA, a Florida based accounting practice. Mr. Carpenter devotes the majority of his time and derives a majority of his income from his capacities at LB Carpenter CPA, PA.

Clients who have hired Cathy Pareto and Associates for advisory services may also hire LB Carpenter CPA, PA for accounting services. Clients are instructed that the fees paid to us for advisory services are separate and distinct from fees paid to LB Carpenter CPA, PA. Advisory clients are informed that they are under no obligation to use LB Carpenter CPA, PA's accounting services and may use the accounting firm of their choice.

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

Description of Our Code of Ethics

Cathy Pareto and Associates has adopted a Code of Ethics (the "Code") to address investment advisory conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes Cathy Pareto and Associates' policies and procedures developed to protect client's interests in relation to the following topics:

- The duty at all times to place the interests of clients first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics.
- The responsibility to avoid any actual or potential conflict of interest or misuse of an employee's position of trust and responsibility;
- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of clients is confidential; and
- The principle that independence in the investment decision-making process is paramount.

A copy of Cathy Pareto and Associates' Code of Ethics is available upon request to the Chief Compliance Officer at Cathy Pareto and Associates' principal office address.

Personal Trading Practices

At times, Cathy Pareto and Associates and/or its Advisory Representatives may take positions in the same securities as clients, which may pose a conflict of interest with clients. Cathy Pareto and Associates and its Advisory Representatives will generally be "last in" and "last out" for the trading day when trading occurs in close proximity to client trades. We will not violate our fiduciary responsibilities to our

clients. Front running (trading shortly ahead of clients) is prohibited. Should a conflict occur because of materiality (i.e. a thinly traded stock), disclosure will be made to the client(s) at the time of trading. Incidental trading not deemed to be a conflict (i.e. a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price), would not be disclosed at the time of trading.

Brokerage Practices - Item 12

Client assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a FINRA-registered broker-dealer, member SIPC, as the qualified custodian. Schwab Advisor Services (formerly called Schwab Institutional) is Schwab’s business serving independent investment advisory firms like us. We are independently owned and operated and not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you. Not all advisors require their clients to use a particular broker-dealer or other custodian selected by the advisor.

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, these:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capability to execute, clear and settle trades (buy and sell securities for your account)
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- breadth of investment products made available (stocks, bonds, mutual funds, exchange traded funds (ETFs), etc.)
- availability of investment research and tools that assist us in making investment decisions
- quality of services
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- reputation, financial strength and stability of the provider
- their prior service to us and our other clients
- availability of other products and services that benefit us, as discussed below (see “Products and Services Available to Us from Schwab”)

Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account, as described in the next paragraph.

Your Custody and Brokerage Costs

Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Schwab's commission rates applicable to our client accounts were negotiated based on our commitment to maintain \$10 million of our clients' assets statement equity in accounts at Schwab. This commitment benefits you because the overall commission rates you pay are lower than they would be if we had not made the commitment. In addition to commissions Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account.

Research and Other Soft Dollar Benefits

Although not considered "soft dollar" compensation, Cathy Pareto and Associates receives benefits from Schwab Advisor Services (formerly called Schwab Institutional) in the form of access to its institutional brokerage, trading, custody, reporting and related services, many of which are not typically available to Schwab retail customers.

Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us as long as we keep a total of at least \$10 million of our clients' assets in accounts at Schwab. If we have less than \$10 million in client assets at Schwab, it may charge us quarterly service fees. Below is a detailed description of Schwab's support services:

Services that Benefit You: Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

Services that May Not Directly Benefit You: Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial

number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

Services that Generally Benefit Only Us: Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

Cathy Pareto and Associates understands its duty for best execution and considers all factors in making recommendations to clients. These research services may be useful in servicing all Cathy Pareto and Associates clients, and may not be used in connection with any particular account that may have paid compensation to the firm providing such services. While Cathy Pareto and Associates may not always obtain the lowest commission rate, Cathy Pareto and Associates believes the rate is reasonable in relation to the value of the brokerage and research services provided.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers and custodians in which we have an institutional advisory arrangement.

Directed Brokerage

The client may direct brokerage to a specified broker/dealer other than the firm recommended by Cathy Pareto and Associates. It is up to the client to negotiate the commission rate, as Cathy Pareto and Associates will not. The client may not be able to negotiate the most competitive rate. As a result, the client may pay more than the rate available through the broker/dealer used by Cathy Pareto and Associates. In client directed brokerage arrangements, the client may not be able to participate in

aggregated (“blocked”) trades, which may help reduce the cost of execution. Where the client does not otherwise designate a broker/dealer, Cathy Pareto and Associates recommends a broker/dealer with competitive commission rates.

Trade Aggregation

While individual client advice is provided to each account, client trades may be executed as a block trade. Cathy Pareto and Associates encourages its existing and new clients to use Schwab Institutional. Only accounts in the custody of Schwab Institutional would have the opportunity to participate in aggregated securities transactions. All trades using Schwab Institutional will be aggregated and done in the name Cathy Pareto and Associates. The executing broker will be informed that the trades are for the account of Cathy Pareto and Associates' clients and not for Cathy Pareto and Associates itself. No advisory account within the block trade will be favored over any other advisory account, and thus, each account will participate in an aggregated order at the average share price and receive the same commission rate. The aggregation should, on average, reduce slightly the costs of execution, and Cathy Pareto and Associates will not aggregate a client's order if in a particular instance Cathy Pareto and Associates believes that aggregation would cause the client's cost of execution to be increased. Schwab Institutional will be notified of the amount of each trade for each account. Cathy Pareto and Associates and/or its Advisory Representatives may participate in block trades with clients, and may also participate on a pro rata basis for partial fills, but only after the determination has been made that clients will receive fair and equitable treatment.

Review of Accounts - Item 13

Portfolio Management Account Reviews

Cathy Pareto and Associates monitors the individual investments within Cathy Pareto and Associates' portfolio management program on a continuous basis. Portfolio performance is reviewed, at a minimum, on a quarterly basis. Cathy Pareto and Associates offers portfolio management clients an in-person portfolio review meeting on an annual basis.

The account reviews are performed by the client's Advisory Representative. The Chief Compliance Officer and other designated compliance staff monitor the portfolios and financial plans for investment objectives and other supervisory review.

The financial plan is a snapshot in time and no ongoing reviews are conducted. We recommend clients engage us on an annual basis to update the financial plan.

All clients receive standard account statements from investment sponsors and brokerage firms.

Client Referrals and Other Compensation - Item 14

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices). The availability to us of Schwab’s products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

From time to time, we may receive expense reimbursements from distributors of investment and/or insurance products. These reimbursements are typically a result of attendance at due diligence and/or investment training events. Although receipt of these expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated sales will be made. We endeavor at all times to put your interests first as a part of our fiduciary duty. However, you should be aware that receiving additional compensation through nominal sales awards, expense reimbursements, etc. creates a conflict of interest. In order to address this conflict, the firm has adopted a code of ethics that obliges all associated persons to deal fairly with all clients when taking investment action and to uphold their fiduciary duty and to put the client's interest first. Further, we have developed an investment process that is based on prudent investor guidelines to properly evaluate possible investment vehicles for clients.

Referral Fees Paid

Our firm and our related persons do not compensate, either directly or indirectly, any person or entity who is not our supervised person for Client referrals.

Custody - Item 15

Cathy Pareto and Associates is deemed to have custody of client funds or securities solely because of the fee deduction authority granted by the client in the investment advisory agreement and in certain situations where we accept standing letters of authorization from clients to transfer assets to third parties. We maintain safeguards in accordance with regulatory requirements regarding custody of client assets.

Schwab maintains actual custody of your assets. You will receive account statements directly from Schwab at least quarterly. They will be sent to the email or postal mailing address you provided to Schwab. You should carefully review those statements promptly when you receive them.

Clients will receive account statements at least quarterly from the broker-dealer or other qualified custodian. Clients are urged to review custodial account statements for accuracy. Minor variations may occur because of reporting dates, accrual methods of interest and dividends, and other factors. The custodial statement is the official record of your account for tax purposes.

Investment Discretion - Item 16

Cathy Pareto and Associates offers Portfolio Management Services to its advisory clients on both a discretionary and non-discretionary basis. Cathy Pareto and Associates will manage client accounts on a discretionary basis if the client has granted discretionary authority in the client advisory agreement. Discretionary authority extends to the type and amount of securities to be bought and sold and do not require advance client approval. However, Cathy Pareto and Associates does not have the ability to withdraw funds or securities from client's account.

In a non-discretionary account, an Associated Person of Cathy Pareto and Associates recommends the purchase or sale of securities for review and approval by their clients. Cathy Pareto and Associates will only purchase or sell securities, which have been approved by clients in advance.

You may limit this authority if you wish by, for example, setting a limit on the type of securities that can be purchased for your account. Simply provide us with your restrictions or guidelines in writing.

Please refer to the "Advisory Business" section in this Brochure for more information on our discretionary management services.

Voting Client Securities - Item 17

Proxy Voting

Cathy Pareto and Associates does not vote proxies. It is the client's responsibility to vote proxies. Clients will receive proxy materials directly from the custodian. Questions about proxies may be made via the contact information on the cover page.

Financial Information - Item 18

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Cathy Pareto and Associates' financial condition. Cathy Pareto and

Associates does not require the prepayment of over \$1,200, six or more months in advance. Cathy Pareto and Associates has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Requirements of State-Registered Advisers - Item 19

This Item is not applicable because our firm is SEC registered.

Miscellaneous

Class Action Lawsuits

From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. Cathy Pareto and Associates has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. It also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, the firm has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by clients.

Where the firm receives written or electronic notice of a class action lawsuit, settlement, or verdict affecting securities owned by a client, it will forward all notices, proof of claim forms, and other materials, to the client. Electronic mail is acceptable where appropriate, and the client has authorized contact in this manner.

Confidentiality

Cathy Pareto and Associates views protecting its customers' private information as a top priority and, pursuant to the requirements of the Gramm-Leach-Bliley Act, the firm has instituted policies and procedures to ensure that customer information is kept private and secure.

Cathy Pareto and Associates does not disclose any nonpublic personal information about its customers or former customers to any nonaffiliated third parties, except as permitted by law. In the course of servicing a client account, Cathy Pareto and Associates may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and lawyers.

Cathy Pareto and Associates restricts internal access to nonpublic personal information about its clients to those employees who need to know that information in order to provide products or services to the client. Cathy Pareto and Associates maintains physical and procedural safeguards that comply with state

and federal standards to guard a client's nonpublic personal information and ensure its integrity and confidentiality. As emphasized above, it has always been and will always be the firm's policy never to sell information about current or former customers or their accounts to anyone. It is also the firm's policy not to share information unless required to process a transaction, at the request of the client, or as required by law.

A copy of the firm's privacy policy notice will be provided to each client prior to, or contemporaneously with, the execution of the Advisory Agreement. Thereafter, we will deliver an amended privacy policy notice whenever our privacy policies change. If you have any questions on this policy, please contact Cathy Pareto, President/Chief Compliance Officer, at (305) 648-9814.

Catherina "Cathy" Marlene Pareto, CFP®
CRD # 4623442

Cathy Pareto and Associates, Inc.

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April 24, 2020

Form ADV Part 2B – Brochure Supplement

This Brochure Supplement provides information about Cathy Pareto that supplements the Cathy Pareto and Associates, Inc. (hereinafter "Cathy Pareto and Associates") Brochure. You should have received a copy of that Brochure. Please contact our office at (305) 648-9814 if you did not receive Cathy Pareto and Associates' Brochure or if you have any questions about the contents of this supplement.

Additional information about Cathy Pareto is available on the SEC's website at www.adviserinfo.sec.gov.

Educational Background and Business Experience - Item 2

Catherina "Cathy" M. Pareto, CFP®

Year of Birth: 1972

Formal Education after High School:

- Executive MBA - Florida International University, 2006.
- Bachelor of Business Administration, Finance - Florida International University, 1995.

Business Background for the Previous Five Years:

- Cathy Pareto and Associates, Inc., President/Chief Compliance Officer, 11/2007 to Present.
- BlueKey Personal Wealth Planning, a Limited Liability Company, Investment Adviser representative, 08/2016 to 06/2017.
- Investor Solutions, Inc., Senior Financial Adviser, 09/1997 to 11/2007.

Professional Designations Qualifications:

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Disciplinary Information - Item 3

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Cathy Pareto and Cathy Pareto and Associates, Inc. Cathy Pareto has no history of legal or disciplinary events.

Other Business Activities - Item 4

Cathy Pareto does not engage in other business activities outside of Cathy Pareto & Associates. Ms. Pareto does not have any other financial industry relationship or arrangement that is material to our advisory business or to our clients.

Additional Compensation – Item 5

Cathy Pareto does not receive additional compensation or economic benefits from third party sources in connection to her advisory activities.

Supervision - Item 6

Cathy Pareto is the Chief Compliance Officer of Cathy Pareto and Associates. In this role, Ms. Pareto is responsible for the monitoring of client portfolios for investment objectives and other supervisory reviews.

Cathy Pareto and Associates has implemented a Code of Ethics and an internal compliance program that guides each Associated Person in meeting their fiduciary obligations to clients of Cathy Pareto and Associates. Ms. Pareto adheres herself to Cathy Pareto and Associates' code of ethics and compliance manual as mandated.

Cathy Pareto and Associates is subject to regulatory oversight by various agencies. These agencies require registration by Cathy Pareto and Associates and its employees. As a registered entity, Cathy Pareto and Associates is subject to examinations by regulators, which may announced or unannounced. Cathy Pareto and Associates is required to periodically update the information provided to these agencies and to provide various reports regarding firm business and assets.

Louis Benjamin Carpenter, III, CFP®, CPA
CRD # 4760892

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April 24, 2020

Form ADV Part 2B – Brochure Supplement

This Brochure Supplement provides information about Louis Benjamin Carpenter, III, that supplements the Cathy Pareto and Associates, Inc. (hereinafter “Cathy Pareto and Associates”) Brochure. You should have received a copy of that Brochure. Please contact our office at (305) 648-9814 if you did not receive Cathy Pareto and Associates' Brochure or if you have any questions about the contents of this supplement.

Additional information about Louis Benjamin Carpenter, III is available on the SEC's website at www.adviserinfo.sec.gov.

Educational Background and Business Experience - Item 2

Louis Benjamin Carpenter, III, CFP®, CPA

Year of Birth: 1949

Formal Education after High School:

- BS Business, Business and Naval Science, University of Kansas, 1971
- MBA Finance, Finance and Accounting, University of Kansas, 1976
- MS Taxation, Federal Taxation, Florida International University, 1983

Business Background for the Previous Five Years:

- Cathy Pareto and Associates, Inc., Investment Adviser Representative, 05/2011 to Present.
- LB Carpenter CPA, PA, Owner, 08/1988 to Present.
- The Investment Center, Inc., Registered Representative, 02/2004 to 12/2010.

Professional Designations Qualifications:

CERTIFIED FINANCIAL PLANNER™(CFP®)

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Certified Public Accountant (CPA)

CPAs are licensed and regulated by their state boards of accountancy. While state laws and regulations vary, the education, experience and testing requirements for licensure as a CPA generally include minimum college [education](#) (typically 150 credit hours with at least a baccalaureate degree and a concentration in accounting), minimum [experience](#) levels (most states require at least one year of experience providing services that involve the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, all of which must be achieved under the supervision of or verification by a CPA), and successful passage of the Uniform CPA Examination. In order to maintain a CPA license, states generally require the completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over a two year period or 120 hours over a three year period). Additionally, all American Institute of Certified Public Accountants (AICPA) members are required to follow a rigorous *Code of Professional Conduct* which requires that they act with integrity, objectivity, due care, competence, fully disclose any conflicts of interest (and obtain client consent if a conflict exists), maintain client confidentiality, disclose to the client any commission or referral fees, and serve the public interest when providing financial services. The vast majority of state boards of accountancy have adopted the AICPA's *Code of Professional Conduct* within their state accountancy laws or have created their own.

Disciplinary Information - Item 3

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Louis Benjamin Carpenter, III and Cathy Pareto and Associates, Inc. Louis Benjamin Carpenter, III has no history of legal or disciplinary events.

Other Business Activities - Item 4

Louis Benjamin Carpenter, III is the sole owner of LB Carpenter CPA, PA, a Florida based accounting practice. Mr. Carpenter devotes the majority of his time and derives a majority of his income from his capacities at LB Carpenter CPA, PA.

Mr. Carpenter does not have any other financial industry relationship or arrangement that is material to our advisory business or to our clients.

Additional Compensation – Item 5

Louis Benjamin Carpenter, III, does not receive additional compensation or economic benefits from third party sources in connection to his advisory activities.

Supervision - Item 6

Louis Benjamin Carpenter, III, is supervised by Cathy Pareto, the Chief Compliance Officer of Cathy Pareto and Associates. Ms. Pareto can be reached at the phone number listed on the cover of this Brochure Supplement.

Cathy Pareto and Associates has implemented a Code of Ethics and an internal compliance program that guides each Associated Person in meeting their fiduciary obligations to clients of Cathy Pareto and Associates. Mr. Carpenter adheres himself to Cathy Pareto and Associates' code of ethics and compliance manual as mandated.

Cathy Pareto and Associates is subject to regulatory oversight by various agencies. These agencies require registration by Cathy Pareto and Associates and its employees. As a registered entity, Cathy Pareto and Associates is subject to examinations by regulators, which may announced or unannounced. Cathy Pareto and Associates is required to periodically update the information provided to these agencies and to provide various reports regarding firm business and assets.

Alexandra Caraballo
CRD # 6107039

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April 24, 2020

Form ADV Part 2B – Brochure Supplement

This Brochure Supplement provides information about Alexandra Caraballo that supplements the Cathy Pareto & Associates, Inc. (hereinafter “Cathy Pareto & Associates”) Brochure. You should have received a copy of that Brochure. Please contact our office at (305) 648-9814 if you did not receive Cathy Pareto & Associates' Brochure or if you have any questions about the contents of this supplement.

Additional information about Alexandra Caraballo is available on the SEC’s website at www.adviserinfo.sec.gov.

Educational Background and Business Experience - Item 2

Alexandra Caraballo

Year of Birth: 1989

Formal Education after High School:

- Penn State University, Bachelor of Science in Finance, 2011

Business Background for the Previous Five Years:

- Cathy Pareto & Associates, Inc., Associate and Investment Adviser Representative, 08/2014 to Present.
- LINQ Financial Group, Insurance Rep., 09/2011 to 08/2014.

Disciplinary Information - Item 3

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Alexandra Caraballo and Cathy Pareto & Associates, Inc. Alexandra Caraballo has no history of legal or disciplinary events.

Other Business Activities - Item 4

Alexandra Caraballo does not engage in other business activities outside of Cathy Pareto & Associates. Ms. Caraballo does not have any other financial industry relationship or arrangement that is material to our advisory business or to our clients.

Additional Compensation – Item 5

Alexandra Caraballo does not receive additional compensation or economic benefits from third party sources in connection to her advisory activities.

Supervision - Item 6

Alexandra Caraballo is supervised by Cathy Pareto, the Chief Compliance Officer of Cathy Pareto & Associates. Ms. Pareto can be reached at the phone number listed on the cover of this Brochure Supplement.

Cathy Pareto & Associates has implemented a Code of Ethics and an internal compliance program that guides each Associated Person in meeting their fiduciary obligations to clients of Cathy Pareto & Associates. Ms. Caraballo adheres herself to Cathy Pareto & Associates' code of ethics and compliance manual as mandated.

Cathy Pareto & Associates is subject to regulatory oversight by various agencies. These agencies require registration by Cathy Pareto & Associates and its employees. As a registered entity, Cathy Pareto & Associates is subject to examinations by regulators, which may announced or unannounced. Cathy Pareto & Associates is required to periodically update the information provided to these agencies and to provide various reports regarding firm business and assets.

**Ana Carolina “Nina” Arguello, CFP®
CRD # 6643845**

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April 24, 2020

Form ADV Part 2B – Brochure Supplement

This Brochure Supplement provides information about Nina Arguello that supplements the Cathy Pareto & Associates, Inc. (hereinafter “Cathy Pareto & Associates”) Brochure. You should have received a copy of that Brochure. Please contact our office at (305) 648-9814 if you did not receive Cathy Pareto & Associates' Brochure or if you have any questions about the contents of this supplement.

Additional information about Nina Arguello is available on the SEC's website at www.adviserinfo.sec.gov.

Educational Background and Business Experience - Item 2

Ana Carolina "Nina" Arguello, CFP®

Year of Birth: 1977

Formal Education after High School:

- Texas A&M University, Engineering.

Business Background for the Previous Five Years:

- Cathy Pareto & Associates, Inc., Operations Associate and Investment Adviser Representative, 03/2010 to Present.

Professional Designations Qualifications:

The Certified Financial Planner™, CFP® and federally registered CFP (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The exam consists of two 3-hour sessions separated by a scheduled 40-minute break, and includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional*

Conduct, to maintain competence and keep up with developments in the financial planning field; and

- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Disciplinary Information - Item 3

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Nina Arguello and Cathy Pareto & Associates, Inc. Nina Arguello has no history of legal or disciplinary events.

Other Business Activities - Item 4

Nina Arguello does not engage in other business activities outside of Cathy Pareto & Associates. Ms. Arguello does not have any other financial industry relationship or arrangement that is material to our advisory business or to our clients.

Additional Compensation – Item 5

Nina Arguello does not receive additional compensation or economic benefits from third party sources in connection to her advisory activities.

Supervision - Item 6

Nina Arguello is supervised by Cathy Pareto, the Chief Compliance Officer of Cathy Pareto & Associates. Ms. Pareto can be reached at the phone number listed on the cover of this Brochure Supplement.

Cathy Pareto & Associates has implemented a Code of Ethics and an internal compliance program that guides each Associated Person in meeting their fiduciary obligations to clients of Cathy Pareto & Associates. Ms. Arguello adheres herself to Cathy Pareto & Associates' code of ethics and compliance

manual as mandated.

Cathy Pareto & Associates is subject to regulatory oversight by various agencies. These agencies require registration by Cathy Pareto & Associates and its employees. As a registered entity, Cathy Pareto & Associates is subject to examinations by regulators, which may be announced or unannounced. Cathy Pareto & Associates is required to periodically update the information provided to these agencies and to provide various reports regarding firm business and assets.