

**Part 2A of Form ADV: Firm Brochure**

## **FHZ Wealth Management, LLC**

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*This brochure provides information about the qualifications and business practices of FHZ Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at (601) 506-3334 or [fzito@fhzwealthmanagement.com](mailto:fzito@fhzwealthmanagement.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.*

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about FHZ Wealth Management also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 311858.

## ITEM 2      Material Changes

Please note that there were no “material changes” made to this Brochure since our last delivery or posting of the Brochure on the SEC’s public disclosure website (“IAPD”) [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov). However, this Brochure does include several minor editorial changes, and updated information on our assets under management.

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## ITEM 4 Advisory Business

FHZ Wealth Management LLC (herein referred to as "FHZ," "Firm," "we," "our," "us") is an investment adviser registered with the State of Mississippi with its principal place of business located in Madison, Mississippi. FHZ Wealth Management is a single member limited liability company organized under the laws of the State of Mississippi. Frank H. Zito is the sole owner, member and manager.

FHZ is a financial advisory firm dedicated to providing personalized confidential investment management and financial planning to its clients. We offer advice on publicly traded equities, fixed income, and preferred stocks on both a discretionary and non-discretionary basis. More information about the differences between discretionary and non-discretionary management can be found in Item 16 of this brochure. Our investment services include purchase and sale of securities for our clients, continual monitoring of securities held in clients' portfolios and regular portfolio reporting of accounts including performance compared to selected indices.

FHZ Wealth Management offers the following advisory services to our clients:

### A. INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary or non-discretionary basis. More information about the differences between discretionary and non-discretionary management can be found in Item 16 of this brochure.

Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities.
- Securities traded over the counter.
- Corporate debt securities (other than commercial paper).
- Certificates of deposit.
- Municipal securities.
- Mutual fund shares.
- United States governmental securities.
- Options contracts on securities.



Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity, and suitability.

#### B. THIRD PARTY MANAGER SELECTION PROGRAMS

We also offer advisory management services to our clients through the Manager Selection Programs (hereinafter, "Programs").

Our firm provides the client with an asset allocation strategy developed through personal discussions in which goals and objectives based on the client's particular circumstances are established. This asset allocation strategy is drafted into the client's Personal Investment Policy Statement ("PIPS").

Based on the client's individual circumstances and needs (as exhibited in the client's PIPS) we will then perform management searches of various unaffiliated registered investment advisers to identify which registered investment adviser's portfolio management style is appropriate for that client. Factors considered in making this determination include account size, risk tolerance, the opinion of each client and the investment philosophy of the selected registered investment adviser. Prior to referring any clients to third-party advisors, we will make sure that they are properly registered, or notice filed with the applicable state(s). We do not have any trading authority with respect to the designated accounts managed by the third-party investment advisor. Third-party money managers are responsible for continuously monitoring client accounts and making trades client Accounts when necessary. Each solicitation arrangement is performed pursuant to a written solicitation agreement and is in compliance with applicable state securities rules and regulations. Clients who are referred to third party money manager will receive full disclosure, including services rendered and fee schedules at the time of the referral by delivery of a copy of the relevant third-party money managers brochure or equivalent disclosure document and privacy policy, prior to placing the assets with the third-party money manager. Clients should refer to the selected third-party money managers Firm Brochure or other disclosure document for a full description of the services offered. We are available to meet with clients on a regular basis, or as determined by the client, to review the account.

We monitor the performance of the selected third-party money manager. If we determine that a particular selected third-party manager is not providing sufficient management services to the client or is not managing the client's portfolio in a manner consistent with the client's PIPS, we may suggest that the client contract with a different third-party money manager. Under this scenario, our firm assists the client in selecting a new third-party money manager, however, any move to a new third-party money manager is solely at the discretion of the client.

#### C. FINANCIAL PLANNING

We provide financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information, and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home, and automobile.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid, and elder law.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

**You are under no obligation to act on our financial planning recommendations.** Financial plans are based on your financial situation at the time we prepare the plan and on the financial information you provide. You must promptly notify us if your financial situation, goals, objectives or needs change.

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

- Exchange-listed securities.
- Securities traded over the counter.
- Corporate debt securities (other than commercial paper).
- Certificates of deposit.
- Municipal securities.
- Variable life insurance.
- Variable annuities.
- Mutual fund shares.
- United States governmental securities.
- Options contracts on securities.



Typically, the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

#### D. SUB-ADVISOR MANAGEMENT

FHZ serves as sub-advisor to Client Accounts of Coker & Palmer, Inc., an SEC investment adviser registered pursuant to the Investment Advisers Act of 1940. In our capacity as sub-advisor, FHZ shall manage the investment and reinvestment of the respective Client Accounts in accordance with the investment objectives, guidelines, restrictions, and investment strategy of the Client which is set forth in the Client information provided to FHZ by Coker & Palmer through the RBC Gateway System that maintains all Client documentation. FHZ will determine, in its sole discretion, the securities to be purchased or sold or exchanged and what portion, if any, of the assets shall be held un-invested for that portion of a Client Account that has been allocated to FHZ. As to each Client Account subject to ERISA, FHZ agrees to act in a "fiduciary capacity" and as an "investment manager" as those terms are defined under ERISA and, pursuant to both those responsibilities and limitations described in the ERISA Supplement to the Coker & Palmers Client Account IMA ("ERISA Supplement").

#### E. WRAP FEE PROGRAMS

We do not sponsor or participate in any wrap fee programs however we may refer suitable clients to Third Party Money Managers that do offer wrap fee programs.

#### E. AMOUNT OF MANAGED ASSETS

As of December 31, 2023, FHZ Wealth Management has no assets under management.

### ITEM 5 Fees and Compensation

#### A. INVESTMENT SUPERVISORY SERVICES (HISS") INDIVIDUAL PORTFOLIO MANAGEMENT FEES

Our annual fees for Investment Supervisory Services are based upon a percentage of assets under management and generally range from 0.50% to 1.25%. Our fees are computed quarterly in arrears and deducted directly from client custodial accounts. Fees will be prorated for partial quarters and will be based on the actual number of days the account was managed.

A minimum of \$100,000 of assets under management is required for this service. This account size may be negotiable under certain circumstances. FHZ Wealth Management may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

**Limited Negotiability of Advisory Fees:** Although FHZ Wealth Management has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other

factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

#### B. THIRD PARTY MANAGER SELECTION PROGRAM FEES

The fees payable to FHZ Wealth Management for third-party advisory services will depend upon the fee arrangement between FHZ Wealth Management and the third-party advisor to whom you are referred to generally range from 0.50% to 1.25%. The fee will be based on the amount of assets managed and could be negotiable. Such compensation differs depending upon the individual agreement we have with each third-party advisor. We will either share in the fee paid by you to the third-party advisor or charge a fee that is in addition to the fee paid to the third-party advisor. Clients will receive a full disclosure of the fee schedule, including fees received by FHZ Wealth Management, and the services to be provided to you by FHZ Wealth Management and the third-party advisor in the investment advisory agreement between the parties, and the relevant third-party advisor's brochure or equivalent disclosure document and privacy policy, prior to placing the assets with the third-party advisor selected. In addition, if the investment program recommended to you is a wrap fee program, you will also receive the equivalent wrap fee brochure provided by the sponsor of the program.

#### C. FINANCIAL PLANNING FEES

FHZ Wealth Management's Financial Planning fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Our Financial Planning fees are calculated and charged on a fixed fee basis, typically ranging from \$500 to \$2,000, depending on the specific arrangement reached with the client.

We request a retainer upon completion of our initial fact-finding session with the client; however, advance payment will never exceed \$500 for work that will not be completed within six months. All such arrangements will be clearly set forth in the agreement signed by the client and the firm. When calculating any refund, a pro rata amount shall apply to work already performed on a fixed fee basis.

#### D. SUB-ADVISORY FEES

In consideration for our sub-advisory services, we will receive a quarterly fee from each Client Account managed under the sub-advisory agreement with Coker & Palmer calculated separately for each Client Account. FHZ Wealth Management shall receive 70% of advisory Fees billed to and received from Clients by Coker & Palmer of the fair market value of assets in the Client Account advised by FHZ, on the last day of each quarter. The fair market value will be the value as reported on the periodic Client Account statement issued by the respective Custodian using publicly available market values of the securities held by each Client Account determined at the close of trading on each business day. The Sub-Advisory Fee for any partial quarter shall be calculated on a pro-rata basis based on the number of calendar days in the partial quarter period. Coker & Palmer will pay FHZ sub-advisor fee out of the advisory fees paid to Coker & Palmer from the Client Account at the respective Custodian pursuant to written authorization in the Adviser Client



invest advisory contract. Payment to FHZ shall be made within 15 days of the debit of the Client Account by Coker & Palmer. Late payment is subject to interest charges at a rate of 1% per 30 days.

#### E. GENERAL INFORMATION

***Termination of the Advisory Relationship:*** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

***Mutual Fund Fees:*** All fees paid to FHZ Wealth Management for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will 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 our services. In that case, the client would not receive the services provided by our firm 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 our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

***Wrap Fee Programs and Separately Managed Account Fees:*** Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent third-party money managers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients.

***Additional Fees and Expenses:*** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

***Advisory Fees in General:*** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

***Other Compensation Received:*** Certain Advisory Representatives of FHZ Wealth Management are licensed insurance agents and appointed by various insurance companies to offer their products. If you purchase insurance products through Advisory Representatives, acting in their capacity as an insurance agent, they will receive normal commissions, which will be in addition to customary advisory fees. While insurance services are separate and distinct from the portfolio management, financial planning and other services provided by FHZ Wealth Management, the sale of insurance products through our Advisory Representatives to our advisory clients does create a conflict of interest, due to the compensation

paid to the Advisory Representatives as a result of those transactions. Clients are under no obligation to act upon any recommendations or purchase any insurance products through our Advisory Representatives, however, you are encouraged to ask them about any conflict presented.

Notwithstanding the above, insurance products that generate a commission are not included in the assets under management by FHZ Wealth Management.

***Retirement Accounts – DOL Disclosure:***

We are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act of 1974 ("ERISA") and/or the Internal Revenue Code ("Code"), as applicable, when we provide investment advice regarding portfolio assets held in an IRA, Roth IRA, Archer Medical Savings Account, a Plan covered by ERISA, or a plan described in Section 4975(e)(1)(A) of the Code (collectively referred to collectively sometimes herein as ("Retirement Accounts").

To ensure that FHZ will adhere to fiduciary norms and basic standards of fair dealing, we are required to give advice that is in the "best interest" of the retirement client. The best interest standard has two chief components, prudence and loyalty. Under the prudence standard, the advice must meet a professional standard of care and under the loyalty standard, our advice must be based on the interests of our retirement clients, rather than the potential competing financial interest of FHZ.

To address the conflicts of interest with respect to our compensation, we are required to act in your best interest and not put our interest ahead of yours. To this end, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice).
- Never put our financial interests ahead of yours when making recommendations (give loyal advice).
- Avoid misleading statements about conflicts of interest, fees, and investments.
- Follow policies and procedures designed to ensure that we give advice that is in your best interest.
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

## ITEM 6 Performance-Based Fees and Side-By-Side Management

FHZ Wealth Management does not charge performance-based fees, nor do we provide side-by-side management services.

## ITEM 7 Types of Clients

FHZ Wealth Management provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals).
- High net worth individuals.
- Pension and profit-sharing plans (other than plan participants).
- Trusts and Estates.
- Charitable organizations.

- Corporations or other businesses not listed above.

We have imposed a minimum account size of \$100,000 in assets to be managed by us. We will aggregate related accounts in the same household to meet account minimums. We can make an exception to this minimum from time to time based on individual factors.

## ITEM 8 Methods of Analysis, Investment Strategies and Risk of Loss

### A. METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

*Charting.* In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

*Fundamental Analysis.* We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

*Technical Analysis.* We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk that a poorly managed or financially unsound company may underperform regardless of market movement.

*Quantitative Analysis.* We use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share and predict changes to that data.

A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

*Qualitative Analysis.* We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement and predict changes to share price based on that data.

A risk is using qualitative analysis is that our subjective judgment may prove incorrect.

*Asset Allocation.* Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.



A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry, or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

*Mutual Fund and/or ETF Analysis.* We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

*Third-Party Money Manager Analysis.* We examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations, and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks.

A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

- B. Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

INVESTMENT STRATEGIES

We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

*Long-term purchases.* We purchase securities with the idea of holding them in the client's account for a year or longer. Typically, we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

*Short-term purchases.* When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

*Trading.* We purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.

*Margin transactions.* We will purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash and allows us to purchase stock without selling other holdings.

*Option writing.* We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.
- A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We will use options to speculate on the possibility of a sharp price swing. We will also use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We use "covered calls", in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

We use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time, and other factors.



## *Risk of Loss*

**Investing in securities involves a risk of loss that clients should be prepared to bear**, including the loss of the original principal. Clients should also be aware that past performance of any security is not necessarily indicative of future results. Therefore, they should not assume that future performance of any specific investment or investment strategy will be profitable. Advisor does not provide any representation or guarantee that client goals will be achieved.

Investing in securities involves risk of loss. Further, there can be varying degrees of risk depending on the different types of investments:

*Market Risk.* Either the market as a whole, or the value of an individual company, goes down, resulting in a decrease in the value of client investments. This is referred to as systemic risk.

*Equity (Stock) Market Risk.* Common stocks are susceptible to fluctuations and to volatile increases/decreases in value as their issuers' confidence in or perceptions of the market change. Investors holding common stock (or common stock equivalents) of any issuer are generally exposed to greater risk than if they hold preferred stock or debt obligations of the issuer.

*Company Risk.* There is always a certain level of company or industry specific risk when invested in stock positions. This is referred to as an unsystematic risk and can be reduced through appropriate diversification. There is the risk that a company may perform poorly or that its value can be reduced based on factors specific to it or its industry (e.g., employee strike, unfavorable media attention).

*Options Risk.* Options on securities can be subject to greater fluctuations in value than investing in the underlying securities. Purchasing and writing put or call options (the right to sell or buy a specified amount of an underlying asset at a set price within a set time) are highly specialized activities and involve greater than ordinary investment risk.

*Fixed Income Risk.* Investing in bonds involves the risk that the issuer will default on the bond and be unable to make payments. In addition, individuals depending on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.

*ETF and Mutual Fund Risk.* ETF (Exchange Traded Funds) and mutual fund investments bear additional expenses based on a pro-rata share of operating expenses, including potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities held by the ETF or mutual fund. Clients might also incur brokerage costs when purchasing or selling mutual funds or ETFs.

### *Insurance and Reinsurance Investments Risk:*

The principal risk of an investment in insurance and reinsurance instruments is that a triggering event(s) (e.g., natural events, such as a hurricane, tornado or earthquake of a particular size/magnitude in a designated geographic area) will occur and a Fund will lose all or a significant portion of the principal it has invested in the security and the right to additional interest payments with respect to the security and an investor will lose money. If multiple triggering events occur that impact a significant portion of the portfolio of the Fund, the Fund could suffer substantial losses. There is no way to accurately predict whether a triggering event will occur and, because of this significant uncertainty, insurance and reinsurance investments carry a high degree of risk.

Another risk is oversubscribed repurchase offers. If a repurchase offer by the Fund is oversubscribed, the Fund may periodically repurchase, but is not required to repurchase, additional Shares up to a maximum number of the outstanding Shares of the Fund. It is possible that a repurchase offer may be oversubscribed



with the result that shareholders may only be able to have a portion of their Shares repurchased. There is no assurance that you will be able to tender your Shares when or in the amount that you desire.

*Overall Risks.*

Clients need to remember that past performance is no guarantee of future results. All funds carry some level of risk. You may lose some or all of the money you invest, including your principal, because the securities held by a fund go up and down in value. Dividend or interest payments may also fluctuate, or stop completely, as market conditions change. Before you invest, be sure to read a fund's prospectus, private placement memorandum, operating agreement and shareholder reports to learn about its investment strategy and the potential risks. Funds with higher rates of return may take risks that are beyond your comfort level and are inconsistent with your financial goals. While past performance does not necessarily predict future returns, it can tell you how volatile (or stable) a fund has been over a period of time. Generally, the more volatile a fund, the higher the investment risk. If you need your money to meet a financial goal in the near-term, you probably can't afford the risk of investing in a fund with a volatile history because you will not have enough time to ride out any declines in the stock market.

*Information Security Risk.* Clients may be susceptible to risks to the confidentiality and security of FHZ's operations and proprietary and customer information. Information risks, including theft or corruption of electronically stored data, denial of service attacks on our website or websites of our third-party service providers, and the unauthorized release of confidential information are a few of the more common risks faced by us and other investment advisors. Data security breaches of our electronic data infrastructure could have the effect of disrupting our operations and compromising our customers' confidential and personally identifiable information. Such breaches could result in an inability for us to conduct business, potential losses, including identity theft and theft of investment funds from customers, and other adverse consequences to customers. We have taken and will continue to take steps to detect and limit the risks associated with these threats.

## ITEM 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

The following are disciplinary events relating to our firm and/or our management personnel:

On November 2, 2018, Frank Zito entered into a consent order with the Securities Division of the Mississippi Secretary of State (Case No. LS-18-3126) pursuant to which he agreed to findings that he engaged in unauthorized private securities transactions and undisclosed outside business activities in connection with the sale of promissory notes issued by Madison Timber Properties. This related to the recommendation of the promissory notes to a single client and the receipt finder's fees by Mr. Zito that were not disclosed to his employer. Frank's re-registration was also limited until he disgorged \$200,000 of commissions and finders' fees and was placed under heightened supervision with his new firm and required to take six hours of compliance and ethics training by separate order.

On December 15, 2020, Frank Zito entered into an Acceptance, Waiver and Consent agreement with FINRA in connection with the same transactions in which he was suspended for 16 months from associating with any member of FINRA and agreed to pay a \$10,000 fine.

You may access a full report of our advisory agents through IARD link at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Should you have any technical difficulties with this link you can call (240) 386-4848 for further assistance.



The information that appears on these websites is collected from individual Investment Adviser Representatives, Investment Adviser Firm(s), and/or security regulator(s) as part of the security industry's registration and licensing process.

## ITEM 10 Other Financial Industry Activities and Affiliations

We do not have any financial industry affiliations or activities applicable to this section.

## ITEM 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

FHZ Wealth Management and our personnel have a duty of loyalty, fairness, and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement, and recordkeeping provisions.

FHZ Wealth Management's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [fzito@fhzwealthmanagement.com](mailto:fzito@fhzwealthmanagement.com), or by calling us at (601) 506-3334.

FHZ Wealth Management and individuals associated with our firm are prohibited from engaging in principal transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell, for their personal accounts, securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
3. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
4. We have established procedures for the maintenance of all required books and records.
5. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
6. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
7. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
8. Any individual who violates any of the above restrictions may be subject to termination.

As disclosed in the preceding section of this Brochure (Item 10), related persons of our firm are separately registered as securities representatives of a broker-dealer, investment adviser representatives of another registered investment adviser, and/or licensed as an insurance agent/broker of various insurance companies. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

## ITEM 12 Brokerage Practices

FHZ Wealth Management requires that clients provide us with written authority to determine the broker-dealer to use and the commission costs that will be charged to our clients for these transactions. When we are granted sole discretionary authority over your account(s) we determine the securities to be bought or sold, their amounts, the broker dealer to be used, and the commissions to be paid, without specific consultation with you as deemed to be in your best interest and to achieve your stated investment objectives. Clients must include any limitations on this discretionary authority in this written authority statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

FHZ recommends that you establish accounts with Fidelity Institutional Wealth Services ("Fidelity"). Fidelity is a member of FINRA/SIPC and is independent (and unaffiliated) SEC registered broker/dealer and is recommended by FHZ to maintain custody of clients' assets and to effect trades for their accounts.



Factors which we consider when recommending Fidelity include their respective financial strength, reputation, execution, pricing, research and service. We understand and acknowledge that at all times we owe a fiduciary duty to you to obtain best execution for your transactions. We believe that Fidelity helps us to execute securities transactions for you in such a manner that your total cost in each transaction is as favorable as possible under prevailing market conditions. The commissions and/or transactional fees charged by Fidelity to you can be higher or lower than those charged by another broker-dealer.

#### A. Trade Aggregation

FHZ Wealth Management will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. FHZ Wealth Management will typically aggregate trades among clients whose accounts can be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. FHZ Wealth Management's block trading policy and procedures are as follows:

Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with FHZ Wealth Management, or our firm's order allocation policy.

The portfolio manager must reasonably believe that the order aggregation will benefit and will enable FHZ Wealth Management to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.

Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.

If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.

Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.

If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.

FHZ Wealth Management's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.

Funds and securities for aggregated orders are clearly identified on FHZ Wealth Management's records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.

No client or account will be favored over another.

B. Soft Dollar Arrangements

The Firm does not currently have any formal soft-dollar arrangements.

C. Brokerage for Client Referrals

We receive no referrals from a broker-dealer in exchange for using that broker-dealer.

D. Directed Brokerage

FHZ does not allow clients to direct transactions through a specific broker-dealer. We require clients to use Fidelity to execute transactions.

## ITEM 13 Review of Accounts

A. INVESTMENT SUPERVISORY SERVICES ("ISS")  
INDIVIDUAL PORTFOLIO MANAGEMENT

**REVIEWS:** While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least quarterly by Frank H. Zito or his designee. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

**Sub-Advisory Reviews.** FHZ shall provide quarterly reports for each Client Account that includes gains, losses, and holdings in the Client Account and an economic commentary to Coker & Palmer. Review of accounts will be done at least on an annual basis and will be conducted by Coker & Palmer.

**REPORTS:** Clients will receive confirmations and statements (at least quarterly) from the qualified custodian maintaining their accounts.

B. SELECTION and MONITORING of THIRD-PARTY MONEY MANAGERS

**REPORTS:** These clients should refer to the independent third-party money manager Firm Brochure (or other disclosure document used in lieu of the brochure) for information regarding the nature and frequency of reports provided by that independent third-party money manager.



## C. FINANCIAL PLANNING SERVICES

**REVIEWS:** While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

**REPORTS:** Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

## ITEM 14 Client Referrals and Other Compensation

### A. CLIENT REFERRALS

We may enter into solicitor arrangements with third-party money managers to introduce or refer prospective clients to a third-party money manager. We will receive compensation for such referrals as agreed upon in writing and disclosed to the respective clients. The compensation paid to us is contingent upon a prospective client engaging the third-party money manager for investment advisory services. Therefore, we have a financial incentive to recommend third-party money managers. This creates a conflict of interest; however, we address this conflict of interest by disclosing the solicitor relationship, and the acknowledgement that that a prospective client is not obligated to engage the third-party money manager for advisory services. *Also see Items 4 and 5 of this Disclosure Brochure for more information.*

### B. OTHER COMPENSATION

When providing financial planning or consulting services, your advisory representative may recommend that you purchase insurance products. If this occurs, your advisory representative will be doing so as a licensed insurance agent. The advisory representative will receive compensation in the form of commissions if you act on these recommendations. You are never under any obligation to purchase products or services recommended by us. You always have the choice of purchasing them through other agents who are not affiliated with us.

## ITEM 15 Custody

We are deemed to have custody of your assets since you authorize us to instruct your custodian to deduct our advisory fees directly from your account. We do not maintain physical custody of your accounts, nor are we authorized to hold or receive any stock, bond or other security or investment certificate or cash that is part of your account. Your funds and securities will be physically maintained with a "qualified custodian" as required under Rule 206(4)-2 under the Advisers Act. Custody of client accounts for both securities and funds will be maintained at Fidelity Investments.

Any account statement or communication that you might receive from us should be compared to the statement received from the qualified account custodian. Clients referred to third-party money managers will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly.



## ITEM 16 Investment Discretion

FHZ when granted discretion over the selection and number of securities to be bought or sold in client accounts without obtaining prior consent or approval from the client (although some clients elect a non-discretionary basis whereby the client either approves each trade prior to FHZ placing the trade, or the client executes trades on their own behalf). The granting of discretionary authority will be evidenced by the client's execution of a Discretionary Investment Advisory Agreement, containing all applicable limitations to such authority. Discretionary trades executed by the Firm will be in accordance with each client's investment objectives and goals. A client may request restrictions, limitations, or other requirements with respect to their investment accounts. The Firm can accept or deny the request, as it may impede our ability to efficiently manage the assets and provide services to the client. Any restrictions requested by the client and accepted by the Firm are documented in the Discretionary Investment Advisory Agreement which is signed by the client. The Firm may also use discretion in the methods used to effectuate trades for clients. See Item 12 – Brokerage Practices of this Brochure for more detail.

The Firm does not advise or take any action on behalf of clients in any legal proceedings, including bankruptcies or class actions, involving securities held or formerly held in client accounts or the issuers of those securities.

### A. Non-discretionary Management

Some clients elect a non-discretionary basis whereby the client either approves each trade prior to FHZ placing the trade, or the client executes trades on their own behalf. With respect to our non-discretionary services, the client makes the ultimate decision regarding the clients' portfolio investment holdings, including the purchase and or sale of those investments.

## ITEM 17 Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We do not offer any consulting assistance regarding proxy issues to clients.

## ITEM 18 Financial Information

Under no circumstances do we require or solicit payment of fees in excess of \$500 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

FHZ Wealth Management has not been the subject of a bankruptcy petition at any time during the past ten years and does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.

## ITEM 19 Requirements for State-Represented Advisers

### A. Principal Executive Officers

Frank H. Zito is the sole principal executive officer and management person of FHZ. He was born in 1972, graduated from the Mississippi State University in 1994 with a Bachelor of Arts and sciences degree, and has served as the sole owner, member, and manager of FHZ since 2021. See the Brochure Supplement, Form ADV Part 2B for Frank H. Zito, which is attached hereto and incorporated herein.

### B. Other Businesses

Frank Zito is an independent insurance agent and spends less than 1% of his time on these activities.

### C. Performance Based Fees

We do not accept performance fees.

### D. D. Claims and Regulatory Events

Please see the discussion in Item 9 "Disciplinary Information" above for information related to disciplinary events.

### E. E. Other Relationships

Frank H. Zito does not have a relationship or arrangement with any issuer of securities.



# Frank H. Zito

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## FHZ Wealth Management, LLC

219 Waterford Square, Suite 2

Madison, MS 39110

601-506-3334

601-427-9627

**March 27, 2024**

This Brochure Supplement provides information about Frank H. Zito (“Frank Zito,” “Frank,” “his” or “he”) that supplements the Brochure of FHZ Wealth Management, LLC (“FHZ Wealth,” “firm,” “our” or “we”). When we use the words “you,” “your” and “client” we are referring to you as our client or our prospective client. You should have received a copy of the Brochure. Please contact Frank H. Zito, CCO of FHZ Wealth if you did not receive FHZ Wealth’s Brochure or if you have any questions about the contents of this supplement.

Additional information about Frank H. Zito is available on the Securities and Exchange Commission’s (“SEC”) website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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### ITEM 1 Educational Background and Business Experience

Frank H. Zito was born in 1972.

#### *His Educational Background*

He received a Bachelor of Science degree from Mississippi State University in 1994.

#### *His Business Experience for the prior 5 years includes:*

01/2021 - Present	FHZ Wealth Management LLC, Manager, CCO
10/2018 to 12/2020	Coker & Palmer, Inc., Financial Advisor
04/2017 to 07/2018	Bank of America N.A., Wealth Management Advisor
03/2010 to 07/2018	Merrill Lynch, Pierce, Fenner & Smith, Wealth Management Advisor

#### *His Professional Licenses/Designations*

Frank has a General Lines, Life, Accident, Health, and HMO Insurance license. The Insurance license allows him to sell insurance products. Insurance licenses are issued by all states. Each insurance department establishes the required qualifications for this license.



## ITEM 2 Disciplinary Information

Frank H. Zito does have a disciplinary event that is disclosed in his registration history.

- On November 2, 2018, Frank Zito entered into a consent order with the Securities Division of the Mississippi Secretary of State (Case No. LS-18-3126) pursuant to which he agreed to findings that he engaged in unauthorized private securities transactions and undisclosed outside business activities in connection with the sale of promissory notes issued by Madison Timber Properties. This related to the recommendation of the promissory notes to a single client and the receipt finder's fees by Mr. Zito that were not disclosed to his employer. Frank's re-registration was also limited until he disgorged \$200,000 of commissions and finders' fees and was placed under heightened supervision with his new firm and required to take six hours of compliance and ethics training by separate order.
- On December 15, 2020, Frank Zito entered into an Acceptance, Waiver and Consent agreement with FINRA in connection with the same transactions in which he was suspended for 16 months from associating with any member of FINRA and agreed to pay a \$10,000 fine.

A full report that reflects the professional background, business practices, and conduct of our advisory agents is available through the Financial Industry Regulatory Authority's ("FINRA") BrokerCheck system link at [www.finra.org/brokercheck](http://www.finra.org/brokercheck) or you may request disclosable information under BrokerCheck by calling (800) 289-9999, a toll-free hotline operated by FINRA.

You may also access a full report of our advisory agents through the IAPD link at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Should you have any technical difficulties with this link you can call 240-386-4848 for further assistance.

The information that appears on these websites is collected from individual investment adviser representatives, investment adviser firm(s), and/or securities regulator(s) as part of the securities industry's registration and licensing process.

## ITEM 3 Other Business Activities

Frank H. Zito is also an independent insurance agent and receives commissions on the sale of insurance products. To the extent insurance products are purchased through Frank by advisory clients, Frank will be paid a commission by the insurance company who issues the policy. This creates a conflict of interest as there is an incentive for Frank to recommend insurance products based on the compensation received, rather than on your needs. Notwithstanding such conflict of interest, we address our fiduciary duty by utilizing insurance products only where it is in the best interest of clients, and after consultation with the client. Frank spends less than 1% of his time offering insurance products on a commission basis.

## ITEM 4 Additional Compensation

Frank H. Zito does not receive additional compensation from any third party for providing investment advisory services.

## ITEM 5 Supervision

Frank H. Zito is the Manager and CCO of FHZ Wealth. Frank Zito can be contacted by phone at 601-506-3334. Frank Zito monitors the advisory activities through:

- Review and approval of the opening of all new client accounts.
- Periodic and regular monitoring of trade activities.
- Periodic and regular monitoring of client correspondence, including email.
- Periodic and regular monitoring of his personal trading activities including any account over which Frank has direct or indirect beneficial interest.
- Periodic and regular monitoring of his outside business activities.
- Annual attestations of business and personal activities.

Additionally, FHZ Wealth maintains policies and procedures and a code of ethics to guide the supervision of our advisory activities.

## ITEM 6 Requirements for State-Registered Advisers

Registered investment advisers are required to disclose all material facts regarding:

- An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following: (a) an investment or an investment-related business or activity; (b) fraud, false statement(s), or omissions; (c) theft, embezzlement, or other wrongful taking of property; (d) bribery, forgery, counterfeiting, or extortion; or (e) dishonest, unfair, or unethical practices.
- An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following: (a) an investment or an investment-related business or activity; (b) fraud, false statement(s), omissions; (c) theft, embezzlement, or other wrongful taking of property; (d) bribery, forgery, counterfeiting, or extortion; or (e) dishonest, unfair, or unethical practices.
- If the supervised person has been the subject of a bankruptcy petition.

Frank H. Zito has not been subject to any of the items set forth above. Please refer to Item 3 Disciplinary Information for more information regarding Frank Zito's disciplinary history.