

Part 2A of Form ADV: Firm *Brochure*

**Item 1      Cover Page**

3-29-2021

**EquiStar Wealth Management Inc.**  
Part 2A of Form ADV  
The Brochure

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Updated: March 2021

This brochure provides information about the qualifications and business practices of EQUISTAR Wealth Management, Inc. (“EQUISTAR”). If you have any questions about the contents of this brochure, please contact us at 407-970-4784. 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 EQUISTAR is also available on the SEC’s website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2      Material Changes**

### **Material Changes**

EquiStar's most recent update to Part 2 of Form ADV was made in March 2021.  
EquiStar's business activities have not changed materially since the last update in Mid  
June, 2020

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## Item 4      Advisory Business

### **Advisory Business**

EQUISTAR provides investment supervisory services, defined as giving continuous investment advice to a client or making investments for a client based on the individual investment needs of the client. Using a risk profile, representatives of EQUISTAR meet and work with clients to evaluate each client's financial situation and determine the strategy most suitable for the client. Clients can impose reasonable restrictions on EquiStar's management of their accounts.

EQUISTAR primarily provides customized investment management services to high-net-worth individuals and associated trusts, estates, pension and profit sharing plans, and other legal entities.

Advisor manages accounts on a discretionary basis and has full authority in determining which securities are purchased and sold. Advisor does not maintain actual custody of client's assets per SEC definition. However, the State of Florida interprets that we do because of management fees uploads to our qualified custodian.

All fees can and will be from time to time negotiable. It is the client's responsibility to determine if fees by EQUISTAR are suitable for that client. Advisor's fees may be higher than other investment advisors offering similar services. Management fees are sometimes subject to negotiation or may be waived upon Equistar discretion. Fees cover EQUISTAR Wealth Management, Inc. investment advisory, reporting, and account related services. Pro-rata refunds are provided.

Fees do not cover any execution-related expenses, commissions, and margin interest, if any, securities exchanges fees or other fees required by law or charged by the broker dealer with custody of the account. Fees may vary from the applicable schedule below due to particular circumstances of the client.

EQUISTAR was founded in 2009 and is owned by Stephen Lee. As of December 31st, 2020 EQUISTAR managed \$6.80 million on a discretionary basis on behalf of approximately 41 clients.

## Item 5 Fees and Compensation

### Fees and Compensation

The majority of the time, EQUISTAR charges its clients an annual investment management fee based on a percentage of assets under management, fees vary depending on account size and custodian.

#### Fees are as follows:

##### Financial Planning Operations

Comprehensive plans: Advisor is retained by a client for a broad-based personal financial plan which considers cash flow, insurance, retirement, educational funding, income tax planning and estate tax planning. This plan is developed in four phases:

- Phase I - An analysis is made of the client's current financial situation. The advisor assists the client with the formulation of financial goals and objectives.
- Phase II - A computerized financial projection is prepared based on realistic assumptions mutually established by the client and advisor. The projection is reviewed with the client and modified, if necessary.
- Phase III - Advisor develops specific recommendations which are congruent with the client's goals and objectives. The advisor assists the client with the implementation of the specific recommendations.
- Phase IV - Advisor performs a periodic review (normally annually) of the client's personal financial plan.

The fees for comprehensive plans are fixed with regards to Phases I, II, and III. One-half of the fees are payable at the conclusion of Phase II and one-half payable at the conclusion of Phase III. Fixed fee starts at \$1000.00 and rise depending on the complexity of the client's financial situation. In many cases such fixed fees are waived if the prospective client signs on with advisor.

Advisor provides investment advisory services at two levels:

Managed Accounts: Advisor provides investment advisory services for managed accounts on a discretionary basis. These services may or may not be provided in conjunction with personal financial planning services. At a minimum, the advisor will assist the client with the development of an investment policy statement after consideration of the client investment objectives and tolerance for risk. In appropriate situations, the advisor will assist the client with the search for mutual funds/ETF's or third-party money managers. Both mutual funds and Exchange traded funds charge their own management fee in addition to our advisory fee.

The fee schedule for investment advisory services is as follows:

Assets Under Management	Annual Fee
Up to \$200,000	2.00%
\$200,000 and above	1.50%

Fees are expressed annually and are billed quarterly in advance. The minimum annual fee is \$1000.00 for assets under management of 500k or less. There is an initial fee of \$1000.00 charged for an investment policy statement and an asset allocation study but in many cases this initial fee is waived.

EQUISTAR has waived or negotiated lower fees for certain clients, such as charitable organizations or employees' family members.

Each client is billed quarterly in advance based on the total account value, not including margin balances, on the first day of the new calendar quarter. For the first billing quarter, if the management account was not opened at the beginning of the quarter, the fee will be based upon a pro-rata calculation of the aggregate market value of the client's assets to be managed for the period.

Management fees will be debited directly from client's account. Alternative arrangements may be negotiated on a client-by-client basis. Fee will be paid; (1) from free credit balances, if any, in the Portfolio; (2) margin availability; and (3) from the liquidation or withdrawal of the Client's shares from any money market investment. To the extent that such assets are insufficient to satisfy payment of the Company's fee, a portion of the Portfolio assets may be liquidated. The Client understands that if such liquidation occurs, it may affect the relative balance of the Portfolio.

A quarterly billing statement will be provided showing the amount of the fee, the long market value of the Client's Portfolio on which the fee is based, and how the fee was calculated. The Custodian typically does not determine if the Company has properly calculated the fee thus Clients should request an explanation if they have questions about how fees are being determined and look at their quarterly billing statements that are included with the quarterly reports to understand how it is calculated.

Assets deposited by a client into their management account during the quarter will result in additional management fees being billed to the client. Such deposits, in most cases, will require modifications and adjustments to a client's investment allocation. Therefore, a pro-rata fee based upon the number of days remaining in the current quarterly period will be assessed to the client for deposits exceeding the above amount. For assets withdrawn by a client, the Company will not refund any management fees on a pro-rata basis.

Management fees are charged in advance each quarter for account review, investment analysis

and investment recommendations/decisions regarding client accounts participating in the strategy. In some instances, the Advisor's decision will be to abstain from buying in a particular issue or across the market in general until EQUISTAR deems market conditions and risk/reward profiles to be attractive for clients.

In either case, EQUISTAR is conducting analysis and reviewing positions, and will charge fees for investment advice, including the advice not to enter a given investment, and that no fee rebate will be given in those instances where EQUISTAR as investment advisor has determined the best and/or safest course of action is to abstain from buying/selling for a given market or index or leave the capital un-invested. In cases where there is large cash balances, Advisor generally will waive the management fees unless it is a period of short term volatility.

### **Fee Exclusions**

All fees paid to EQUISTAR for management services are separate from any fees and expenses charged to shareholders of mutual fund/ETF shares by the investment company or by the investment advisor managing the mutual fund/ETF portfolios. These expenses generally include management fees and various fund expense, such as: 12b-1 fees and contingent deferred sales charges. A complete explanation of these expenses charged by the mutual funds/ETF's are contained in each products prospectus. Clients are encouraged to carefully read the fund prospectus.

In addition, Clients will also incur certain charges imposed by other third parties in connection with investments made through the account. These charges can include, but are not limited to, transaction charges, margin expense, and fees charged by the custodian. Clients should review all fees charged by EQUISTAR, the custodian, and others to fully understand the total amount of fees incurred. All of these aforementioned charges, fees and commissions are exclusive of and in addition to EquiStar's fee.

### **Termination Provisions for Investment Services**

Clients have thirty (30) full business days after entering into an Investment Advisory Agreement (IAA) in which to cancel EQUISTAR investment services and not incur any costs. Thereafter, should the client wish to terminate investment services on a day other than the last day of a calendar quarter, the Company shall be paid fees due through the date of termination and any balance of the advisory fee shall be refunded on a pro-rata basis.

To terminate our investment services, a written notice should be submitted at least 30 days prior to the actual termination date, which provides clear instruction on what the client wants done with their account (i.e., liquidate the account, finalize all transactions and/or cease all investment activity). From the date that the termination goes into effect, it becomes the responsibility of the client to make their own investment decisions.

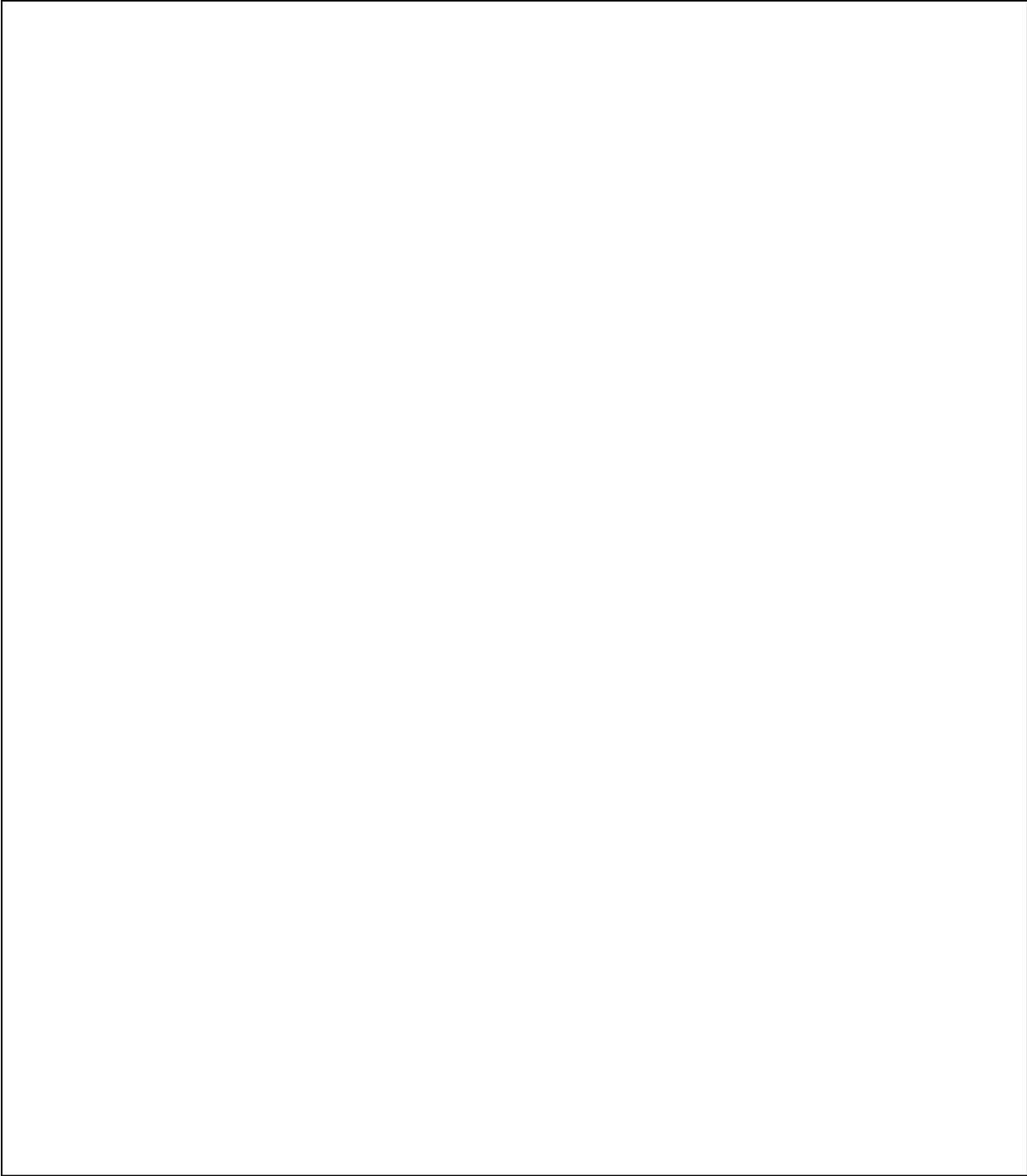
A refund of the unused portion of the management fee will be credited to the client's account during the first 14 days of the quarter immediately following the quarter in which the client terminated their agreement. If this is not possible due to transfer of assets then a refund check will be cut and mailed to the address of record.



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

### **Performance Based Fees**

At the present time EQUISTAR does not charge performance based fees.



## Item 7      *Types of Clients*

### **Types of Clients**

EQUISTAR primarily provides customized investment management services to high-net-worth individuals and associated trusts, estates, pension and profit sharing plans, and other legal entities. EQUISTAR requires a minimum initial investment of \$50,000 to open an account but this minimum is waved from time to time. The Company retains discretion to modify the above fee structure and minimums depending on the size, complexity, and nature of the portfolio managed. Accounts that do not meet the account minimum may be set up when we anticipate the client will add additional funds to the accounts bringing the total up to the account minimum within a reasonable time.

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

### **Methods of Analysis, Investment Strategies and Risk of Loss**

EquiStar's President, Stephen Lee conducts fundamental analysis on securities recommended for client accounts. Advisor utilizes quantitative and qualitative analysis to select its investment products and securities. Such analysis is a multiple step process to construct portfolios. Each portfolio that we construct involves modern portfolio theory using both fundamental and quantitative optimization approaches to portfolio construction. A fundamental approach is used to gather information. Such analysis considers: economic conditions, earnings, cash flow, book value projections, industry outlook, politics (as it relates to investments), historical data, price-earnings ratios, dividends, interest rates, company management, debt ratios and tax benefits to determine the companies in which to allocate assets. Technical analysis is also used at times to determine the most appropriate time of entry & exit points for securities.

### **Sources of Information**

The Company relies on numerous financial publications as well as independent research sources for information. Other sources may include, but are not limited to, domestic, international and governmental newspapers, bulletins, magazines, books and other professional subscription services. On occasion, we will use material prepared by investment companies and research releases prepared by other research companies. In addition to using information from the sources indicated, EQUISTAR utilizes a computer-based mutual fund database produced by Morningstar to evaluate specific mutual funds/ETFs/stocks. Morningstar is an independent rating service that analyzes over 12,000 mutual funds/ETFs/Stocks.

### **Investment Strategies**

The Company generally recommends long-term investment strategies requiring a minimum of a three to five year time horizon and holding period regardless of which "strategy" is applied to your portfolio. Investments may include the following: Exchange Traded funds/notes, individual stocks, options, individual bonds, interests in real estate, warrants, foreign issues, preferred stock, and convertible stock and bonds.

EquiStar's investment decisions are made solely by Stephen Lee. Each investment is evaluated weekly or daily depending upon the different technical and fundamental changes within. Investments are evaluated independently, as well as in the context of clients' existing holdings and sector exposures. Equistar current offers two strategies: the All Cap Opportunistic strategy and a more Balanced income (yield) oriented approach.

For the All Cap "Opportunistic" (ACO) and Balanced strategies, EQUISTAR has broad and flexible investment authority, therefore there is no material limitation on the instruments or markets in which the Advisor may purchase or sell unless investment restrictions are communicated in writing at the time the investment management agreement is signed. The purchase or writing of option contracts involves a high degree of risk and is not suitable for all

clients. Uncovered option writing may expose the client to potentially significant loss. Equistar currently does not write Uncovered Options. The potential loss of uncovered call writing is unlimited. Clients must be willing to incur potentially substantial losses and have sufficient liquid assets to meet any applicable margin requirements. In addition, margin trading increase the level of market risk. A declining market could result in greater losses when using margin. In addition, the broker may increase its maintenance margin requirements at any time and is not required to provide advance written notice. Such action would result in a margin call which is a request for additional cash. At this time Margin accounts are generally discouraged.

EQUISTAR offers the following two investment strategies:

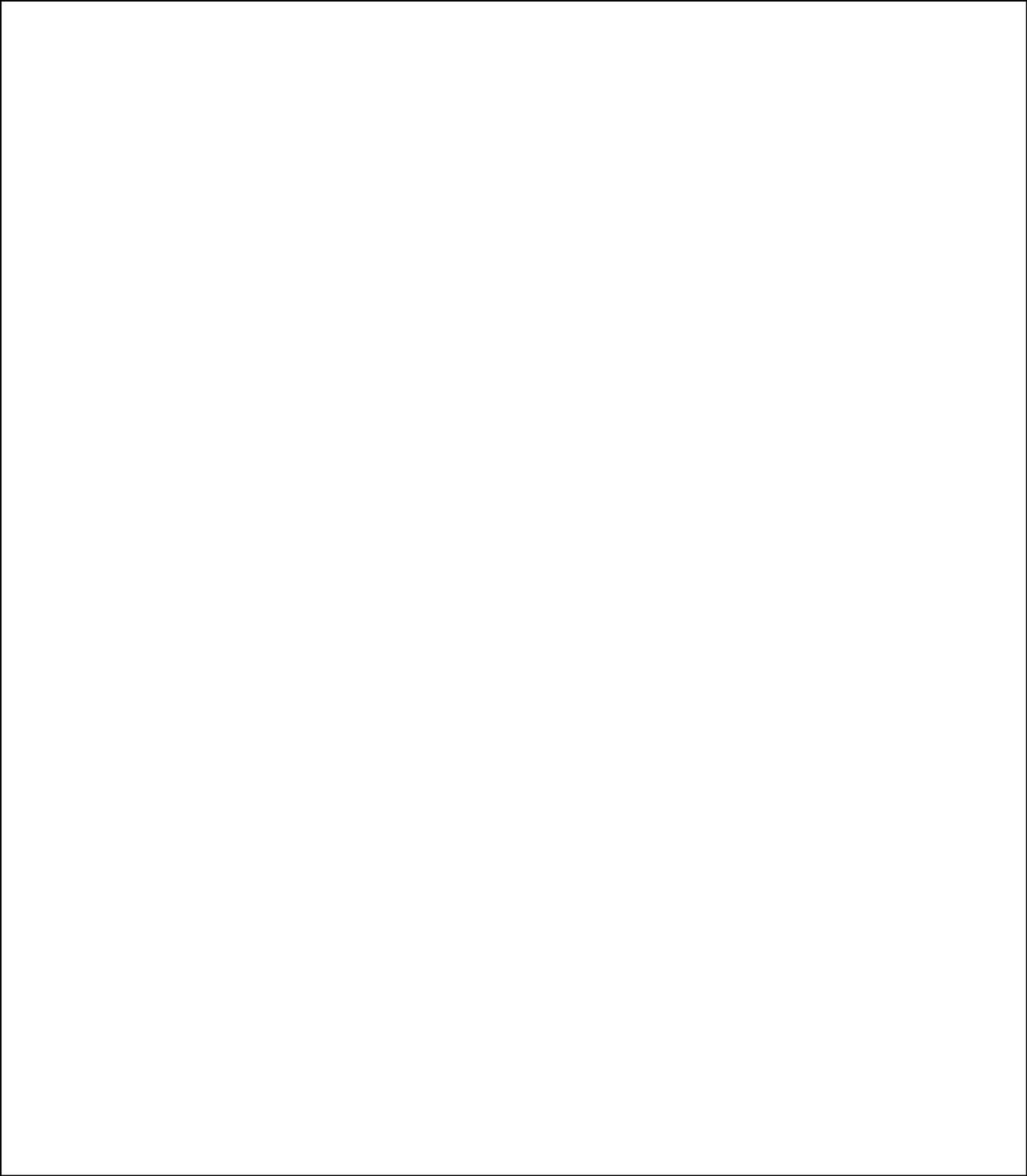
**1) All Cap Opportunistic (“ACO”)- Aggressive/Focused**

This strategy is designed for portfolios holding a large concentrated basket of stocks and differs slightly from the *Balanced Return Portfolio* in that it primarily invests in individual equities and is the most aggressive strategy that EQUISTAR offers. Part of the strategy may at times seek to generate income by writing covered call positions held in the portfolio and, in certain instances, protection with the purchase of puts. Managed by a proprietary approach incorporating several technical indicators, positions are monitored regularly and adjustments are made as price action dictates. Selection of expiration and strike prices are a function of market and individual stock volatility. While this strategy is designed to mitigate the likelihood of stocks getting called away (sold), EQUISTAR makes no guarantee whatsoever that the stock(s) will remain in the portfolio. When writing covered calls, there is always a risk that the stock(s) could be called away. The ACO portfolio primarily invests in a basket of less than 25 individual stocks and sometimes uses LEAP options and ETFs for some diversification. Overall, investors in this type of portfolio can expect more volatility than the normal market due to its Focused approach and volatility of individual holdings. Investors should not expect this portfolio to track the moves of the overall markets and there can be periods of time where returns of the ACO portfolio performance diverge from the major averages such as the S&P 500 index. This strategy is generally suited for investors that desire a more aggressive strategy that differs greatly from traditional asset allocation approaches.

**2) Balanced Return Portfolio (“BRP”)-Moderate**

The Balanced Return Portfolio ("BRP") is managed with a focus more on dividends, current income, option premiums, and some capital appreciation of underlying securities. EQUISTAR focuses on income enhancement by selling puts, buying stocks, and selling covered calls at certain times when the advisor deems appropriate. Similar to the ACO strategy EQUISTAR also buys individual stocks in which they determine offer an opportunity for appreciation. These securities will typically be high yielding dividend stocks but may also be smaller market cap securities. The principal difference between the ACO portfolio and the BRP portfolio is the number of concentrated positions and degree to which the overall portfolio is diversified.

**\*\*There also may be situations where an investment opportunity, in particular a new idea, is only allocated to those accounts that the portfolio manager reasonably believes have sufficient size and diversification along with the risk tolerance of the clients and overall account.\*\***



## Item 9      **Disciplinary Information**

### **Disciplinary Information**

EQUISTAR and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the company or its personnel. However, in March of 2013 Equistar was fined by the Florida Office of Financial Regulation for failing to file annual financial statements within 90 days of the end of its fiscal year for the fiscal years ending December 31, 2009; December 31, 2010; and December 31, 2011. , respectively, which were violations of sections 517.121, Florida Statutes, and Rule 69W-600.015, Florida Administrative code. While Equistar disputed the claim it agreed to pay a penalty of \$4,000.00 for violating the Florida Statutes. Equistar is in full compliance with all Regulatory statutes and verifies that Financial Statements are sent via certified return receipt mail to the correct mailing address.

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

### **Other Financial Industry Activities and Affiliations**

EQUISTAR may be subject to significant conflicts of interest when providing advice pertaining to insurance. Such conflicts could potentially affect the objectivity of the advice; however EQUISTAR owes a fiduciary duty to all advisory clients and will act in good faith in all its dealings with clients, and will take such duties into account in dealing with all material conflicts of interest. Investment Advisory Representatives (“RAs”) of the Company may become licensed as resident Life and Health Insurance Agents by the State of Florida. RAs would then be able to use various insurance companies and earn commissions from the sale of those products. Currently, Mr. Lee is the only licensed insurance agent with EQUISTAR.

In addition, to his insurance agent license, Mr. Lee also is a licensed real estate agent which license is active with Thompson Chule LLC, a licensed Real Estate Broker that provides investment advice for Real Property.

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

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

As a fiduciary, the Company has an affirmative duty to render continuous, unbiased investment advice, and at all times act in the clients' best interest. To maintain this ethical responsibility to clients, the Company has adopted a Code of Ethics that establishes the fundamental principles of conduct and professionalism expected by all officers, directors and employees in discharging their duties. This Code is a value-laden guide committing such persons to uphold the highest ethical standards, rooted in the most elementary maxim, "Do the right thing!"

The Company's Code of Ethics is designed to deter inappropriate behavior and heighten awareness as to what is right, fair, just and good by promoting:

- Honest and ethical conduct.
- Full, fair and accurate disclosure.
- Compliance with applicable rules and regulations.
- Reporting of any violation to the Code.
- Accountability.

To help clients understand the Company's ethical culture and standards, how the Company controls sensitive information and what steps have been taken to prevent personnel from abusing their inside position, a copy of the Company's Code of Ethics is available for review upon request.

Among other things, the code requires EQUISTAR and its employees to act in clients' best interest, abide by all applicable regulations, avoid even the appearance of insider trading, and pre-clear and report various personal securities transactions. EquiStar's restrictions on personal securities trading apply to employees, as well as employees' family members living in the same household.

EquiStar's employees are generally permitted to trade alongside client accounts as long as they receive the average price that is applicable to clients and pay their share of any transaction costs. However, no employees are allowed to participate in partially filled orders until all clients' orders have been filled. The Chief Compliance Officer monitors employee trading, relative to client trading, to ensure that employees do not engage in improper transactions.

EQUISTAR maintains a watch list of securities that are being considered for client accounts, as well as securities already held in client accounts. Any proposed employee transaction involving securities on the watch list requires preclearance from the Chief Compliance Officer. The Chief Compliance Officer does not grant preclearance where it would appear that an employee's trading could disadvantage EquiStar's clients and factors such as liquidity, front running, different time horizons for investing and portfolio strategies are all considered before preclearance is made.

Under certain circumstances an employee might invest in a security that is not considered suitable for client accounts because of size, liquidity, or other factors. A change in these factors

could result in the security becoming more suitable for clients, but the Chief Compliance Officer might not allow the security to be purchased for client accounts in order to avoid even the appearance of employees trading ahead of clients. In EquiStar's experience, it is rare for an employee's personal trading to limit clients' investment opportunities, but such a situation may arise from time to time.

### **Privacy Policy**

When you invest with EQUISTAR Wealth Management, Inc., you share your nonpublic personal and financial information with us. We take your privacy very seriously. As a registered Investment Adviser we provide products and services that involve compiling personal and sensitive information about you; we believe that you should know that we collect only the information necessary to provide our customer with those services. It is necessary for us to have your personal information so that we know how to contact you in order to answer questions or respond to requests for information from us. We may collect non public personal information about you from the following sources: Information we receive from you on applications or other forms, such as your name, address, and account number.

Our policy is to limit how and with whom we will share information. We do not share information about you, or our former clients, with our affiliates or with service providers or other third parties except on the limited basis permitted by law. We are committed to protecting your privacy. We do not sell lists of our clients, nor do we disclose client information to marketing companies.

## **Item 12    Brokerage Practices**

### **Brokerage Practices**

#### **Direction of Transactions and Commission Rates**

The Company will establish discretionary trading authority on all management accounts to execute securities transactions at any time without the consent or advice of the client unless otherwise negated by the client.

In the accounts handled on a discretionary basis, EQUISTAR has the authority to determine the amount of the securities to be bought and sold without obtaining client consent to specific transactions. In the course of providing our services, EQUISTAR will execute trades through broker-dealers that maintain custody over the client's account.

EQUISTAR is not obligated to acquire for any account any security that the Company or its officers, partners, members or employees may acquire for its or their own accounts or for the account of any other client, if in the absolute discretion of EQUISTAR, it is not practical or desirable to acquire a position in such security.

#### **Recommending Brokers**

The choice of the custodian will always be approved by the client. If asked, the Company will suggest TD Ameritrade/Charles Schwab. There is no direct affiliation between EQUISTAR and the brokers recommended. However, brokers recommended by EQUISTAR for custody and brokerage services will provide the Company with other services intended to help advisers such as EQUISTAR service its client accounts, and manage and further develop its business enterprise. These benefits include receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving adviser participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; and discounts on compliance, marketing, research, technology, and practice management products or services provided to EQUISTAR by third party vendors. Brokers may also offer to pay for business consulting and professional services received by EQUISTAR or its employees. The benefits received by EQUISTAR or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to any broker. As part of its fiduciary duties to clients, the firm endeavors at all times to put the interests of its clients first. Clients should be aware; however, that the receipt of economic benefits by Adviser or its related persons in and of itself creates a potential conflict

of interest and may indirectly influence the Adviser's choice of brokers for custody and brokerage services.

EQUISTAR participates in the TD AMERITRADE/Schwab Institutional program. TD AMERITRADE Institutional is a division of TD AMERITRADE, Inc. ("TD AMERITRADE") member FINRA/SIPC/NFA. TD AMERITRADE is an independent and unaffiliated SEC-registered broker-dealer and NASD FINRA member and is currently being purchased by Charles Schwab. TD AMERITRADE offers to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from TD AMERITRADE through its participation in the program.

### **Soft-Dollar Arrangements**

Generally, in addition to a broker's ability to provide "best execution," we may also consider the value of "research" or additional brokerage products and services a broker-dealer has provided or may be willing to provide. This is known as paying for those services or products with "soft dollars." Because many of the services or products could be considered to provide a benefit to the firm, and because the "soft dollars" used to acquire them are client assets, the firm could be considered to have a conflict of interest in allocating client brokerage business: it could receive valuable benefits by selecting a particular broker or dealer to execute client transactions and the transaction compensation charged by that broker or dealer might not be the lowest compensation the firm might otherwise be able to negotiate. In addition, the firm could have an incentive to cause clients to engage in more securities transactions than would otherwise be optimal in order to generate brokerage compensation with which to acquire products and services.

The firm's use of soft dollars is intended to comply with the requirements of Section 28(e) of the Securities Exchange Act of 1934. Section 28(e) provides a "safe harbor" for investment managers who use commissions or transaction fees paid by their advised accounts to obtain investment research services that provide lawful and appropriate assistance to the manager in performing investment decision-making responsibilities. As required by Section 28(e), the firm will make a good faith determination that the amount of commission or other fees paid is reasonable in relation to the value of the brokerage and research services provided. That is, before placing orders with a particular broker, we generally determine, considering all the factors described below, that the compensation to be paid to TD Ameritrade is reasonable in relation to the value of all the brokerage and research products and services provided by TD Ameritrade. In making this determination, we typically consider not only the particular transaction or transactions, and not only the value of brokerage and research services and products to a particular client, but also the value of those services and products in our performance of our overall responsibilities to all of our clients. In some cases, the commissions or other transaction fees charged by a particular broker-dealer for a particular transaction or set of transactions may be greater than the amounts another broker-dealer who did not provide research services or products might charge.

### **Research and Brokerage Products and Services**

"Research" products and services we may receive from broker-dealers may include economic surveys, data, and analyses; financial publications; recommendations or other information about

particular companies and industries (through research reports and otherwise); and other products or services (e.g., computer services and equipment, including hardware, software, and data bases) that provide lawful and appropriate assistance to the firm in the performance of its investment decision-making responsibilities. Consistent with Section 28(e), brokerage products and services (beyond traditional execution services) consist primarily of computer services and software that permit us to effect securities transactions and perform functions incidental to transaction execution. We generally use such products and services in the conduct of our investment decision-making generally, not just for those accounts whose commissions may be considered to have been used to pay for the products or services.

### **Other Uses and Products**

The firm may use some products or services not only as "research" and as brokerage (i.e., to assist in making investment decisions for clients or to perform functions incidental to transaction execution) but for our administrative and other purposes as well. In these instances, we make a reasonable allocation of the cost of the products and services so that only the portion of the cost that is attributable making investment decisions and executing transactions is paid with commission dollars and we bear the cost of the balance. Our interest in making such an allocation differs from clients' interest, in that we have an incentive to designate as much as possible of the cost as research and brokerage in order to minimize the portion that the firm must pay directly.

### **Mutual Fund Transactions**

Although shares of no-load mutual funds can be purchased and redeemed without payment of transactions fees, we may, consistent with our duty of best execution, determine to cause client accounts to pay transaction fees that may be higher than those obtainable from other broker-dealers when purchasing shares of certain no-load mutual funds through TD Ameritrade in order to obtain "research". This research may not be used for the exclusive benefit of the clients who pay transaction fees in purchasing mutual fund shares. EQUISTAR currently does not use mutual funds that have transaction fees and primarily uses liquid low cost ETF's.

### **Amount and Manner of Payment**

A broker-dealer through which the firm wishes to use soft dollars may establish "credits" arising out of brokerage business done in the past, which may be used to pay, or reimburse the firm for, specified expenses. In other cases, a broker-dealer may provide or pay for the service or product and suggest a level of future business that would fully compensate it. The actual level of transactional business the firm does with a particular broker dealer during any period may be less than such a suggested level, but may exceed that level and may generate unused soft dollar "credits." We do not exclude a broker-dealer from receiving business simply because the broker-dealer has not been identified as providing soft dollar research products and services, although we may not be willing to pay the same commission to such broker-dealer as we would have paid had the broker-dealer provided such products and services. EQUISTAR currently does not have soft dollar practices.

## **Benefits & Conflicts between Affiliated Companies**

As previously disclosed, EQUISTAR custodies money at TD AMERITRADE/Schwab INSTITUTIONAL and EQUISTAR may recommend TD AMERITRADE to Clients for custody and brokerage services. There is no direct link between EquiStar's decision on custody and the investment advice it gives to its Clients, although EQUISTAR receives economic benefits through its participation in the program that are typically not available to TD AMERITRADE retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving adviser participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to EQUISTAR by third party vendors. TD AMERITRADE may also have paid for business consulting and professional services received by EquiStar's related persons. Some of the products and services made available by TD AMERITRADE through the program may benefit EQUISTAR but may not benefit its Client accounts. These products or services may assist EQUISTAR in managing and administering Client accounts, including accounts not maintained at TD AMERITRADE. Other services made available by TD AMERITRADE are intended to help EQUISTAR manage and further develop its business enterprise. The benefits received by EQUISTAR or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD AMERITRADE. As part of its fiduciary duties to clients, the firm endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by EQUISTAR or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Adviser's choice of TD AMERITRADE/Schwab for custody and brokerage services.

## **Investment Services Benefits & Conflicts**

To ensure clients understand the full relationship of EQUISTAR to any third parties that EQUISTAR may refer business, as well as the choices and risks clients have in receiving investment management services, the following disclosures are provided:

- Clients may choose any broker/dealer to execute his/her securities transactions.
- Investments involve risk and some investment decisions will result in losses. Clients understand that EQUISTAR cannot guarantee that their investment objectives will be achieved by working with us.
- Clients are cautioned to consider their options carefully when Investment Advisor

Representatives (“RAs”) of EQUISTAR recommend the purchase of any insurance products where the RA is also a commissioned insurance agent – there is a potential conflict of interest. The incentive on the part of EQUISTAR and the RA is to recommend only those products in which they will receive a commission. Consequently, the objectivity of the advice rendered could be subjective and disadvantage the client. As of now Mr. Lee currently only sells Term life insurance on a needs based basis.

- If requested by the client to implement any insurance recommendations made in the financial plan, RAs will execute such transactions through those insurance companies in which they are licensed representatives. In such cases, the RAs will receive the normal commissions associated with such insurance transactions.
- Since RAs will only offer financial products from those insurance companies in which they are appointed, such recommendations made are limited to that pool of products. Therefore, it is possible that the client might be able to execute similar insurance transactions elsewhere with better coverage and at lower costs.
- EQUISTAR does not receive any economic benefit from referring clients to another professional without first notifying the client of such possibilities. EQUISTAR acts completely in a fiduciary capacity - the interests of the client are first and foremost. Only on the occasion where EQUISTAR and its employees may refer clients to those entities listed above under “Other Business Activities” is there potential for a conflict of interest. However, just as noted above, clients are under no obligation to have any of these institutions perform any aspects of their financial or investment management needs.

Notwithstanding such potential conflicts of interest, EQUISTAR strives to serve the best interest of the client; as well as, ensuring such disclosure is being properly made to clients in compliance with the Investment Adviser Act of 1940.

EQUISTAR may compensate broker/dealers, other investment advisors and financial planners for referring advisory clients. The amount of the referral fee paid is a percentage of the advisory fee paid by the clients. EQUISTAR may utilize the services of solicitors in adding new clients. In all cases this arrangement is disclosed to each client by a separate solicitor’s disclosure agreement. At this time EQUISTAR is NOT using any solicitors and has no referral fees in place.

Advisor will have arrangements with other service providers whereby Advisor will pay a referral fee to a third party for referring clients. Often, these referrals come from professionals such as brokers, but may not be limited to brokers. In all cases, these arrangements shall be fully disclosed to the clients in accordance with applicable state and federal security laws. Any conflict of interest that may exist will be fully disclosed to any client via the rules governing the solicitor relationship.

**Sub-Advisor Relationships** From time to time the Advisor will identify money managers or mutual funds/ETF's that are compatible with the client's investment objectives, risk tolerance, and other criteria and will prescribe names

of money managers/mutual fund in each such category. Once the client has agreed to the money managers/mutual fund, the Advisor will assist with the implementation of the portfolio, and continuously monitor the portfolio for performance, compliance with the investment guidelines, and material changes relating to the money manager or mutual fund. In addition, the Advisor reserves the authority to reallocate assets among money managers/mutual funds on behalf of the client subject to the clients' approval. The Advisor does not manage assets on a discretionary basis, and does not determine the commission rates at which securities transactions are effected. In addition, the Advisor does not determine the broker dealer through which securities are bought and sold. Typically, the sub-advisor selected, will choose the broker or dealer through which securities transactions are effected.

The Advisor will not place orders for transactions in the client's account or otherwise exercise trading authority over the Account at any time when a third party money manager has trading authority over the Account.

For investment supervisory services compensation is derived as fee income based upon the percentage of assets under management. The compensation method is explained and agreed with the clients in advance before any services are rendered.

Currently, EQUISTAR has no sub-advisory agreements or relationships.

### **Best Execution Reviews**

On at least a semi-annual basis EquiStar's Chief Compliance Officer evaluate the pricing and services offered by all custodians previously listed and other trading counterparties with those offered by other reputable firms. EQUISTAR has sought to make a good-faith determination that all custodians and other chosen trading counterparties provide clients with good services at competitive prices. However, clients should be aware that this determination could have been influenced by EquiStar's receipt of products and services from all custodian. Historically EQUISTAR has concluded that the custodians they have selected to work with are as good as, or better than, the other firms that have been considered. EQUISTAR would notify its clients if it were to determine that another firm offered better pricing and services than the custodians they have selected.

### **Aggregate Trading**

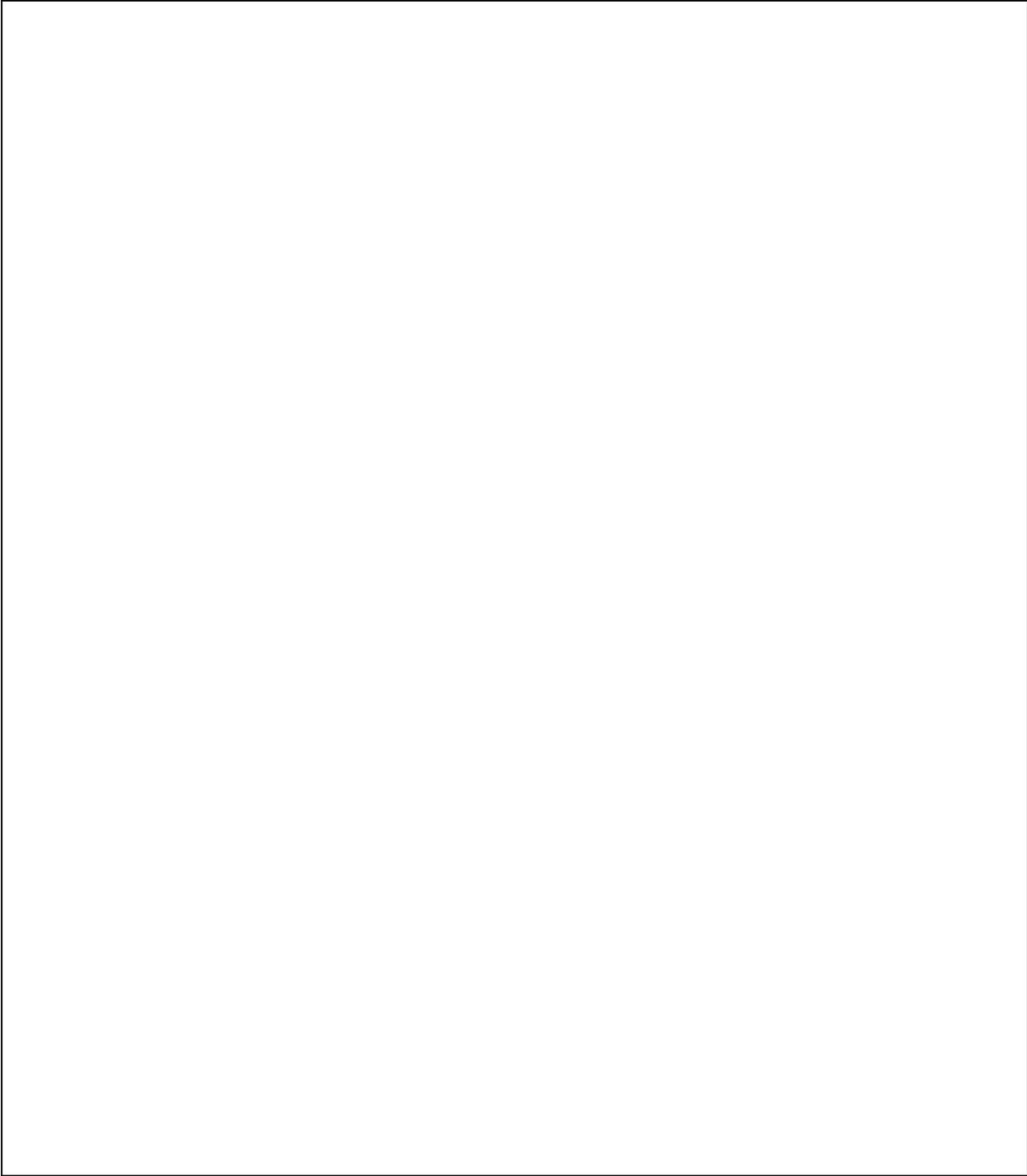
When possible, orders for the same security executed with the same broker are combined or "batched" to facilitate best execution concerns. The Company effects batched transactions in a manner designed to ensure that no participating client, including any proprietary account, is favored over any other client. Specifically, each client that participates in a batched transaction will participate at the average share price for all of the Company's transactions in that security on that business day, with respect to that batched order. Securities purchased or sold in a batched transaction are allocated pro-rata, when possible, to the participating client accounts in proportion to the size of the order placed for each account. If the Company is unable to fully execute a batched transaction and the Company determines that it would be impractical to

allocate a small number of securities among the accounts participating in the transaction on a pro-rata basis, the Company may allocate such securities in a manner determined in good faith to be a fair allocation. Employees of the Company will not participate in any trading done on an aggregate basis. Instead employees can trade after all block trades have executed.

Also, when clients select a broker to custody their account, the commission rates are decided upon between the client and the broker. The Company is sensitive to commission and transaction costs charged by brokers and the Company will always attempt to pay a fair and reasonable price for trading services. The Company also understands that paying the lowest commission rate is not necessarily in the best interests of its clients. In addition to a competitive commission rate, the Company demands that brokers or dealers provide expeditious, convenient, accurate, and reliable execution of all of its orders. When executing over the counter securities transactions on an agency basis, it may result in advisory clients incurring two transaction costs for a single trade: a commission paid to the executing broker-dealer plus the market makers mark-up or mark-down.

### **Trade Error Policy**

On occasion, an error may be made in a client account. For example, a security may be erroneously purchased for a client account instead of sold. In these situations, EQUISTAR Wealth Management, Inc. generally seeks to rectify the error by placing the client account in a similar position as it would have been had there been no error. Depending on the circumstances, various corrective steps may be taken, including but not limited to, canceling the trade, adjusting an allocation, and/or reimbursing the client's account. In the event the trade error results in an erroneous profit, EQUISTAR Wealth Management, Inc. will close out the trade and allow the client's account to keep the gains; however, in instances where an error would cause the client's account to be over bought, or would cause a contribution to a client's retirement account, or any other event that would negatively impact the client's account the trade will be reversed and profits will be retained by EQUISTAR Wealth Management, Inc.



## Item 13    Review of Accounts

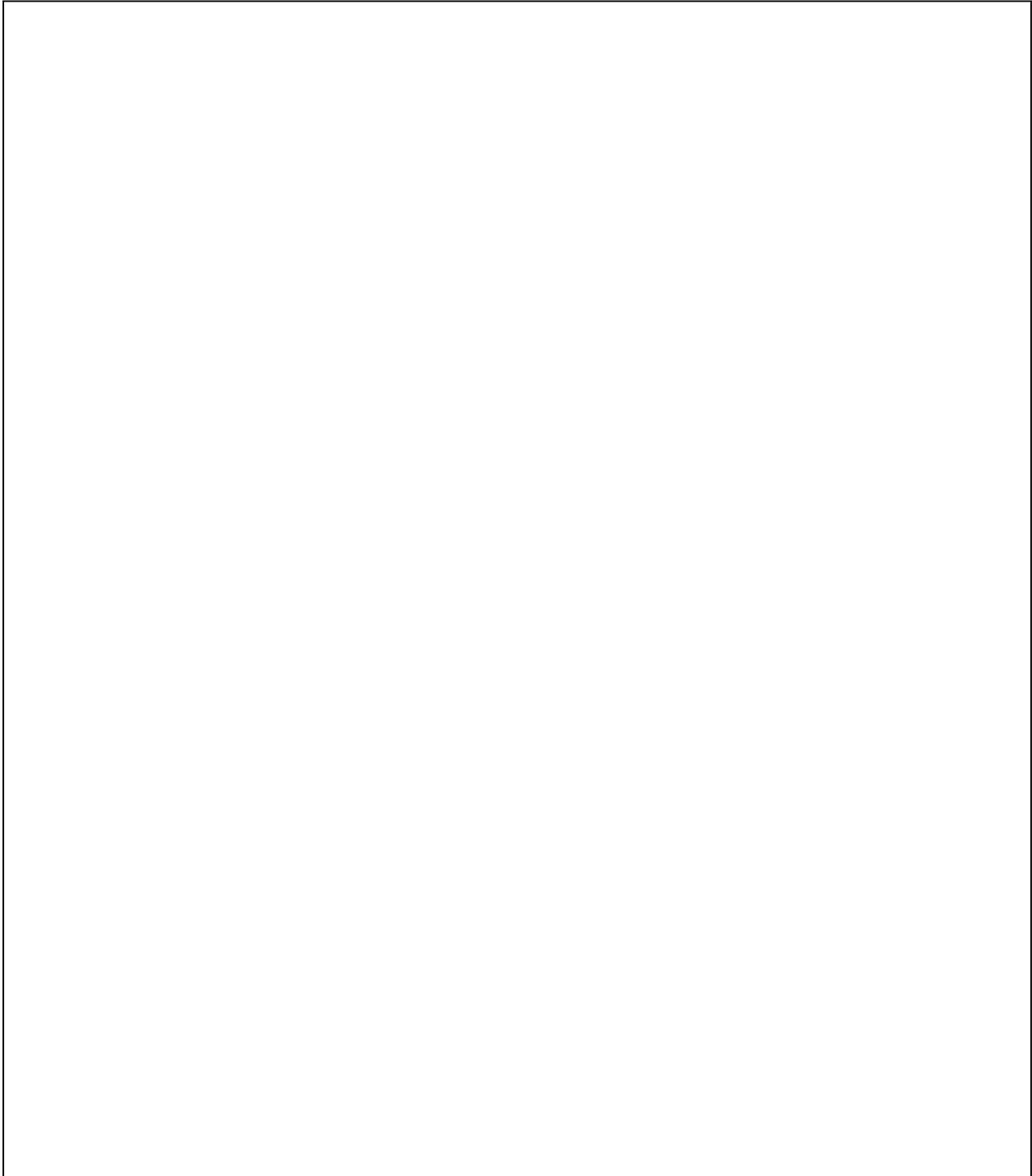
### **Review of Accounts**

Each Client account is reviewed on an ongoing basis to ensure that the client's needs and objectives are being met. All accounts are reviewed in the context of the client's stated investment objectives and guidelines using the information provided to EQUISTAR by Client during profile questionnaire.

Once an account is opened, each Client will receive a LOG-IN/USER ID to access their account on line through the custodian's website. Clients will receive at least quarterly statements from the brokerage firm where their accounts are custodied in addition to quarterly billing and performance reports provided by Morningstar Office. Each statement will summarize the specific investments currently held, the value of the client's portfolio, the account transactions and fees. Clients will also receive realized and unrealized gain/loss reports quarterly and on an as needed basis directly from EQUISTAR. In addition, Clients can and may stay current with our quarterly newsletter and quarterly calls from the firm's Client Relationship Manager.

On at least a quarterly basis EQUISTAR reviews a number of reports that are designed to identify accounts that are outside the expected ranges for returns, exposure to asset classes, and exposure to industry sectors. Reviews of client accounts will also be triggered if a client changes his or her investment objectives, or if the market, political, or economic environment changes materially.

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



## Item 15 Custody

### **Custody**

All clients' accounts are held in custody by unaffiliated broker/dealers or banks, but EQUISTAR can access many clients' accounts through its ability to debit advisory fees so is deemed to have custody by the State of Florida Dept of Financial Regulation. Account custodians send statements directly to the account owners on at least a quarterly basis. Clients should carefully review these statements, and should compare these statements to any account information provided by EQUISTAR.

## Item 16 Investment Discretion

### **Investment Discretion**

EQUISTAR has investment discretion over all clients' accounts. Clients grant EQUISTAR trading discretion through the execution of a limited power of attorney included in EquiStar's advisory contract and through the Limited Power of Attorney form utilized by the respective custodians.

Clients can place reasonable restrictions on EquiStar's investment discretion. For example, some clients have asked EQUISTAR not to sell certain securities where the client has a particularly low tax basis or where a client wants to hold a concentrated position.

## Item 17 Voting *Client* Securities

### **Voting Client Securities**

EQUISTAR is hereby expressly precluded from voting proxies. Clients understand and agree that the client retains the right to vote all proxies, which are solicited for securities held in the managed accounts. Any proxy solicitations received at the Company's place of business will be immediately forwarded to the client for their evaluation and decision.

## Item 18 Financial Information

### **Financial Information**

EQUISTAR has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.

## Item 19 Part 2B of Form ADV Brochure Supplement

EquiStar Wealth Management Inc.  
Part 2B of Form ADV  
The Brochure Supplement  
\*618 Tuscarora Trail  
Maitland, FL 32751

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

Updated: March 2021

This brochure supplement provides information about Stephen T. Lee. It supplements EquiStar's accompanying Form ADV brochure. Please contact EquiStar's Chief Compliance Officer, Stephen T. Lee at 407-970-4784 if you have any questions about the Form ADV brochure or this supplement, or if you would like to request additional or updated copies of either document.

Additional information about Mr. Lee, is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Any Investment Advisory Representatives retained by the Company will be required to have earned a four-year undergraduate degree or the equivalent suitable experience in fields directly related to investments and financial planning, as well as the required examinations and qualifications to act as such. In addition, the advisors working with applicant must be candidates for or recipients of the Certified Financial Planner<sup>(TM)</sup> (CFP), Personal Financial Specialist (PFS), Certified Public Accountant (CPA) designations or a Chartered Financial Analyst (CFA) Charter holder

Paid internships will be provided to college students working towards their four-year undergraduate degree. The following people are responsible for the leadership and direction of the company, as well as ensuring that investment activities are being performed to the expectations of the clients. Their qualifications and experiences are listed on the following pages:

## Item 20 Educational Background and Business Experience

Stephen T. Lee, CFP

Chief Compliance Officer/Portfolio Manager

Year of Birth: 10/15/1976

Formal Education:

Furman University: B.A. Business Administration

Crummer Graduate School of Business(Rollins College); M.B.A., Finance

Business Background; Trader/Analyst/Compliance Officer (past 3 years), Loan Officer (previous)

Licenses; Series 65- SIE

Mr. Lee began his career as a personal banker with Synovus Financial. As a personal banker for three years Mr. Lee sharpened his skills as a underwriter and cash management officer for the banks clients while pursuing his interest in investing.

Mr. Lee earned a Bachelor's degree from the Furman University and continued his academic pursuits earning a Master's degree in Business Administration (finance) from the Crummer Graduate School of Business. He became a Certified Financial Planner in 2005 while working with a Ferrell Wealth Management Inc. At FWM Mr. Lee was responsible for overseeing a portfolio of 300 million in assets under management, selecting and trading on the portfolio, research on specific products and markets, and lastly ensuring compliance with all state and federal regulatory requirements.

Mr. Lee is active in a number of professional and non-profit organizations.

Professional Experience:

3-years as a personal banker

20-years as a Registered Investment Advisor

## Item 21    **Disciplinary Information**

### **Disciplinary Information**

Mr. Lee has no claims and has not been involved in any claims and has no regulatory action pending or historically.

## Item 22 Other Business Activities

### **Other Business Activities**

Mr. Lee currently has no related business activities but may in the future become a managing member of LLCs, formed for the purpose of purchasing real estate property. Mr. Lee may also serve as Manager of a general partner formed to promote proprietary Limited Partnership but at the current time is not affiliated with any general partner. Mr. Lee does have an active Real Estate license that is held with Thompson Chule LLC but at the present time does not actively engage in any real estate services and has no ownership interest.

## Item 23 Additional Compensation

### **Additional Compensation**

Mr. Lee receives no economic benefits from any affiliations or business contacts.

## Item 24 Supervision

### **Supervision**

As EquiStar's President, Mr. Lee maintains ultimate responsibility for the company's operations and investment strategies. 100% of operational decisions are made by Stephen Lee.

**Item 25    Requirements for State-Registered Advisers**

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