

**PRICE|WEALTH MANAGEMENT**

**Price Wealth Management**

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This Brochure provides information about the qualifications and business practices of Price Wealth Management. If you have any questions about the contents of this Brochure, please contact Eric Price at 512-320-8550 and/or [eric@pricewealth.com](mailto:eric@pricewealth.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. Price Wealth Management is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training.

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## ***Item 2 – Material Changes***

The United States Securities and Exchange Commission recently published “Amendments to Form ADV” which amends the disclosure document that Price Wealth Management, Inc. (“Price Wealth” or “Firm”) provides to its Clients as required by SEC Rules. This Brochure dated March 22, 2011 is prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that previous brochures did not require.

On an ongoing basis, this item will discuss only specific material changes that are made to the Brochure and provide Clients with a summary of such changes. Price Wealth will also reference the date of its last annual update of the Brochure.

In the past, the Firm has offered or delivered information about our qualifications and business practices to Clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the Firm’s business’ fiscal year-end.

Price Wealth will further provide you with a new Brochure, as necessary, based on changes or new information, at any time, without charge.

Currently, the Brochure may be requested by contacting Eric Price, President, at 512/320-8550 or via email at [eric@pricewealth.com](mailto:eric@pricewealth.com). Additionally, the Firm’s Brochure is available on its Website at [www.pricewealth.com](http://www.pricewealth.com) also free of charge.

Additional information about Price Wealth and its supervised persons is also available via the SEC’s Website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Since the Firm’s last Disclosure Document, Form ADV Part 2 which was dated March 15, 2010, two material changes have occurred at the Firm. First, the Firm’s prior Chief Compliance Officer, Guyanne C. Nichols, is no longer serving in that capacity. Eric Price has assumed that role. Secondly, the Firm relocated its offices to the location listed above on the cover page of this document.

## **Item 3 – Table of Contents**

For your convenience in locating specific information, a Table of Contents is provided with hyperlinks to specific Sections of this Brochure.

## ***Item 4 – Advisory Business***

Price Wealth, which was formed in 2004, is a federally covered investment adviser registered with the Securities and Exchange Commission (“SEC”) offering integrated wealth management and investment advisory services to individuals, corporations or business entities, trusts, estates, and/or charitable organizations (“Clients”). Price Wealth is owned by Eric Price who also serves as President and Chief Compliance Officer. The Firm offers Clients integrated wealth management services on a comprehensive or segmented (by estate entity) basis that includes financial and investment plans. These integrated wealth management services will generally begin with initial consultations with the Client, which could include supplemental consultations with associated attorneys and/or accountants to gather data and determine, among other things, the Client’s (i) net worth and current assets (liquid and illiquid); (ii) expense estimates and cash flow needs; (iii) taxes considerations; (iv) estate and philanthropic considerations and plans; and (v) risk analysis. This information is carefully reviewed and analyzed taking into account a Client’s goals, risk tolerance and stated objectives whereby a series of individualized recommendations will be developed. Recommendations offered by the Price Wealth may address the following issues: (i) cash flow planning; (ii) asset allocation; (iii) criteria for selection of investment vehicles; (iv) procedures for monitoring investment vehicles (timing and benchmarks); (v) estate “location” and tax considerations; and (vi) policy for

portfolio management and rebalancing. The Firm uses all of this information to tailor its investment services to its individual Clients.

Price Wealth may also offer Clients investment advisory services whereby Price Wealth manages Client portfolios or accounts on a discretionary and/or non-discretionary basis. Additionally, Price Wealth provides implementation of the Clients' overarching plan and provides ongoing monitoring and reporting, as determined for each individual Client. Price Wealth will generally coordinate and/or lead correspondence and meetings with any chosen or contemplated investment managers. Moreover, Price Wealth generally offers: (i) diversification strategies including hedging strategies for concentrated positions; (ii) asset allocation and portfolio construction for the entire family and each entity including weightings of asset classes and/or specific money managers based on risk and Client/entity considerations; and (iii) selection of investment vehicles that could include hedge funds, active and passive managers, fund of hedge funds and private equity in limited circumstances; (iv) monitoring of investment performance; (v) reporting to Clients on portfolio performance; and (vi) portfolio composition, including the rebalancing of Client portfolios.

Price Wealth may be a part of discussions with Clients and their other representatives on various wealth strategy options regarding items other than securities. These items could include a variety of issues, tax planning matters, such as creation of trusts, private airplane acquisition options and philanthropic ideas. These services are provided as part of the overall services described above and Price Wealth is not compensated for these services separately.

The minimum investment generally required by Client is \$25,000,000. Accounts below these minimums may be negotiated and accepted on an individual basis, as determined in the Price Wealth's sole discretion. However, the Price Wealth may from time to time establish, modify and waive account or investment minimums.

Price Wealth manages assets on both a discretionary and nondiscretionary basis depending on the individual Client's needs and preferences. As of December 31, 2010, the Firm managed \$708,415,795 on a discretionary basis and \$43,704,000 on a nondiscretionary basis.

## **Item 5 – Fees and Compensation**

Price Wealth is compensated based upon a percentage of the aggregate portfolio value (assets under management) in a Client's account. Fees based on assets under management are as follows:

Market Value of Portfolio	Annual Fee
From \$0- \$5,000,000	0.70%
The Balance of \$5,000,000 - \$10,000,000	0.50%
The balance of \$10,000,000 - \$25,000,000	0.40%
The balance of \$25,000,000 - \$50,000,000	0.30%
The balance over \$50,000,000	0.20%

The above stated fees may be negotiated on an individualized Client basis. Fees are generally based on a percentage of assets under management and in no case will fees exceed 3% of assets under management. Price Wealth may charge some Clients on a fixed fee basis, but this determination is made in Price Wealth's sole discretion and negotiated on a Client by Client basis. Fees are generally payable quarterly in advance based on a valuation of the Client's account at the beginning of each quarterly period, but such advisory fees are not collected for services to be performed more than six (6) months in advance. A prorated fee will be assessed to any Client account opened intra-quarter. Additionally, payments of advisory fees are generally deducted from Client accounts held with the custodian for such account. Other than growth in assets under management, Price Wealth shall not be compensated on the basis of a share of capital gains upon, capital appreciation of the funds, or any portion of the funds of Client except as may be authorized by the appropriate federal or state securities regulatory authority. Price does not receive any additional compensation (commissions, transaction fees etc.) related to any of its Clients' accounts.

Clients who wish to terminate their account without the payment of any fees must notify Price Wealth within five (5) business days of execution of the investment management agreement. If services are terminated within five (5) business days of executing the investment management agreement, services will be terminated without penalty. After the initial five (5) business days, the Client may be responsible for payment of fees for the number of days

services are provided by Price Wealth prior to receipt of the notice of termination. Otherwise, the Client may terminate an investment management agreement by providing written notice to Price Wealth. Any and all fees paid in advance shall be prorated to the date of termination and any unearned portion of prepaid fees will be refunded to the Client.

Item 12, Brokerage Practices further describes the factors that Price Wealth considers in selecting or recommending broker/dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

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

Price Wealth does not charge any performance-based fees or fees based on a share of capital gains on or capital appreciation of the assets of Client.

### **Item 7 – Types of Clients**

Price Wealth offers integrated wealth management and investment advisory services to individuals, corporations or business entities, trusts, estates, and/or charitable organizations.

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

Price Wealth employs a number of techniques in building portfolios. From a manager selection and monitoring perspective, Price Wealth has a robust research process that focuses on both quantitative and qualitative attributes. In terms of the quantitative component, Price Wealth licenses software and data feeds from the industry leading provider. Regarding the qualitative piece, Price Wealth relies on the broad experience of its research team. Specifically for hedge funds, an extra level of due diligence is part of the selection process including an in person visit to the office by at least one senior member of the Price Wealth research team.

In terms of asset allocation, Price Wealth takes both tactical and strategic approaches. The strategic allocation is driven by the client specific constraints and needs. However, within the strategic allocation, Price Wealth proactively recommends tactical allocations to take advantage of asset class mispricing or other unique opportunities. In order to identify these opportunities, Price Wealth uses fundamental analysis and relies upon Wall Street research, third party consultant analysis and the views of current and prospective Price Wealth managers.

Investing in securities involves risk of loss that Clients should be prepared to bear.

### **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be used by a Client in the evaluation of Price Wealth or the integrity of Price Wealth's management. Neither the Firm nor any of its supervised persons has any disciplinary history that is applicable to this item.

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

Price Wealth or any of its Supervised Persons are not affiliated with any other Investment Adviser or Broker/dealer. The Firm or any of its Supervised Persons do not have any relationships or arrangements that are material to its advisory business.

### **Item 11 – Code of Ethics**

Price Wealth has adopted a Code of Ethics for all Supervised Persons of the Firm describing its high standard of business conduct and its fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on, and the reporting of gifts and gratuities and personal securities trading procedures, among other things. All Supervised Persons at Price Wealth must sign an acknowledgement, acceptance, and understanding of the terms of the Code of Ethics, annually.

On occasion, Price Wealth may own securities products that it also recommends to Clients, which may present a potential conflict of interest. However, as a preventative measure, all Client transactions will be conducted and implemented before any such transaction relating to any personal accounts of Price Wealth or any affiliated person of Price Wealth. In addition to this measure, all of the principals of Price Wealth will act in accordance with applicable securities laws and conduct their business to ensure overall compliance with *Insider Trading Rules and The Securities Fraud Enforcement Act of 1988*. Any trading by Price Wealth personnel is controlled by Price Wealth's Code of Ethics. A copy of such Code will be available upon request.

## **Item 12 – Brokerage Practices**

Price Wealth is responsible for broker/dealer selection unless otherwise directed by Client in writing. This selection and the fees that are paid to such broker/dealers are determined based on Client's best interests. This determination is based on a number of factors, which may include, but is not limited to the following: brokerage commission rates, execution capability, quality of research and/or product quality, reputation, financial strength and stability, efficiency of execution and error resolution, block trading and block position capabilities, willingness to execute related or unrelated difficult transactions in the future, on-line access to computerized data regarding Client accounts, custody, record keeping or other similar services, as well as other matters involved in the receipt of general brokerage services. Clients may pay commission rates that are higher than may be obtained from other broker/dealers for the products selected. Research that may be provided by a particular broker/dealer may be utilized in a general knowledge/data gathering way for other Client accounts that do not pay for such research as they may not be a participant in the actual product purchased from such broker/dealer. Each broker/dealer is evaluated on a continuous basis based on the criteria set forth above. Investment decisions on any particular broker/dealer are never based solely on the research services provided by such broker/dealer. Price Wealth may also suggest brokers to Clients and if authorized by Client, Price Wealth may select a broker without obtaining Client's specific authorization. While commission rates are an important factor in broker selection, Price Wealth may direct trades to brokers that charge commissions higher than those obtainable from other brokers. In selecting a broker for any transaction or series of transactions, Price Wealth may consider a number of factors in addition to commission rates, including, for example net price, reputation, financial strength and stability, efficiency of execution and error resolution, block trading and block position capabilities, willingness to execute related or unrelated difficult transactions in the future, on-line access to computerized data regarding Client accounts, custody, record keeping or other similar services, as well as other matters involved in the receipt of general brokerage services. Research that may be provided by a particular broker/dealer may be utilized in a general knowledge/data gathering way for other Client accounts that do not pay for such research as they may not be a participant in the actual product purchased from such broker/dealer. Each broker/dealer is evaluated on a continuous basis based on the criteria set forth above. Investment decisions on any particular broker/dealer are never based solely on the research services provided by such broker/dealer.

Price Wealth may recommend that Clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab"), a registered broker/dealer, Member SIPC, to maintain custody of Clients' assets and to effect trades for their accounts. Price Wealth is independently owned and operated and not affiliated with Schwab. Schwab provides Price Wealth with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of adviser's clients' assets are maintained in accounts at Schwab Institutional, and are not otherwise contingent upon Price Wealth committing to Schwab any specific amount of business (assets in custody or trading). Schwab's services include brokerage, custody, research, and access to mutual funds and other investments that might not be available to all clients of Schwab.

## **Item 13 – Review of Accounts**

All Clients of Price Wealth are managed and reviewed on a continuous basis. Overall investment portfolio management, investment manager, market prospects and individual issue prospects are considered in the review process. Triggering factors that may affect an account review could be any material change in a client's account such as a change in investment manager performance or strategy, company earnings, industry and/or company outlook as

well as general economic factors or other relevant situations that may alter Client's account. All account reviews are conducted by Eric Price, President and CCO, who is primarily responsible for each account.

Client reports are customized based on the needs and services offered to each individual Client. The nature, frequency and details of such reports will vary based on Client needs or requests. Furthermore, most of the Clients of Price Wealth will receive quarterly reports summarizing the investment performance of their account(s), in addition to annual reports showing each Client's investment performance and outlook at the end of each fiscal year.

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

Neither Price Wealth nor any of its Supervised Persons receives any economic benefits from any persons or entities who are not Clients. Further, Price Wealth or any of its Supervised Persons do not directly or indirectly compensate any person or entity for client referrals.

#### **Item 15 – Custody**

Clients should receive at least quarterly statements from the broker/dealer, bank or other qualified custodian that holds and maintains Clients' investment assets. Price Wealth urges you to carefully review such statements and compare such official custodial records to the account statements that the Firm may provide to you. The statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Clients having questions regarding statements should contact Price Wealth or the custodian directly.

#### **Item 16 – Investment Discretion**

Price Wealth usually receives discretionary authority in writing from the Client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular Client account.

When selecting securities and determining amounts, Price Wealth observes the investment policies, limitations and restrictions of Clients for which it advises. For registered investment companies, Price Wealth's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to Price Wealth in writing.

#### **Item 17 – Voting Client Securities**

Proxy voting is an important right of shareholders and reasonable care and diligence must be undertaken to ensure that such rights are properly and timely exercised. When the Firm has discretion to vote the proxies of its Clients, it will vote those proxies in the best interest of its Clients and in accordance with these policies and procedures.

All proxies received by the Firms will be sent to the Chief Compliance Officer. The Chief Compliance Officer will be responsible for performing the required duties regarding proxies as outlined in Price Wealth's Proxy Voting Procedures.

In the absence of specific voting guidelines from Client, the Firm will vote proxies in the best interests of each particular Client, which may result in different voting results for proxies for the same issuer. The Firm believes that voting proxies in accordance with the guidelines as outlined in its Proxy Voting Procedures is in the best interests of its clients.

The Chief Compliance Officer will identify any conflicts that exist between the interests of the Firm and its Clients. This examination will include a review of the relationship of the Firm and its affiliates with the issuer of each

security and any of the issuer's affiliates to determine if the issuer is a Client of the Firm or an affiliate of the Firm or has some other relationship with the Firm or a Client of the Firm. If a material conflict exists, Price Wealth will determine whether voting in accordance with the voting guidelines and factors described above is in the best interests of Client. The Firm will also determine whether it is appropriate to disclose the conflict to the affected clients and give the client the opportunity to vote their proxies themselves.

Price Wealth will disclose to Clients how Clients may contact the Chief Compliance Officer, via e-mail or telephone, in order to obtain information on how the Firm voted such Client's proxies, and to request a copy of these policies and procedures. If a client requests this information, the Chief Compliance Officer will prepare a written response to Client that lists, with respect to each voted proxy about which the client has inquired, (a) the name of the issuer; (b) the proposal voted upon, and (c) how the Firm voted the client's proxy.

A concise summary of the Proxy Voting Policies and Procedures will be provided to Clients and will be updated whenever these policies and procedures are updated. The Chief Compliance Officer will arrange for a copy of this summary to be sent to all existing Clients, either as a separate mailing or along with a periodic account statement or other correspondence sent to clients.

The Chief Compliance Officer will maintain files relating to the Firm's proxy voting procedures in an easily accessible place. Records will be maintained and preserved for five years from the end of the fiscal year during which the last entry was made on a record, with records for the first two years kept in the offices of the Firm.

Clients may obtain a copy of Price Wealth's complete proxy voting policies and procedures upon request. Clients may also obtain information from Price Wealth on how Price Wealth' voted any proxies on behalf of their account(s).

## **Item 18 – Financial Information**

Price Wealth is well capitalized and has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients and has not been the subject of a bankruptcy proceeding.