

## ***AVONDALE WEALTH MANAGEMENT LLC***

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***February 2012***

This *FIRM BROCHURE* provides information about the qualifications and business practices of Avondale Wealth Management, LLC. If you have any questions about the contents of this *FIRM BROCHURE*, please contact us at (214) 871-8833 or at [andy@avondalewealth.com](mailto:andy@avondalewealth.com). The information in this *FIRM BROCHURE* has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Avondale Wealth Management, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (the CRD number for Avondale Wealth Management, LLC is 152590).

### **NOTE:**

While Avondale Wealth Management, LLC may refer to itself as a "registered investment advisor" or "RIA" Clients should be aware that registration itself does not imply any level of skill or training.

### **MATERIAL CHANGES FROM PREVIOUS VERSION:**

Since this *FIRM BROCHURE* (Form ADV Part 2A) was prepared by Avondale Wealth Management, LLC on March 2011, the following Items were amended: Item 4 to better explain our "advisory services", Item 5 to reflect "additional compensation", Item 7 to identify the "types of clients" we service, and Item 10 to address the "other business activities" of our IA Reps.

*Please Retain a Copy of This Brochure for Your Records*

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## ITEM 4: ADVISORY BUSINESS

### ***INTRODUCTION***

**Avondale Wealth Management, LLC** (hereafter “Avondale”), is a fee-based investment adviser that offers two types of advisory services: *Portfolio Management Services* and *Financial Planning Services*.

Avondale was incorporated in 2010. The experience, education, and background of its principals and investment adviser representatives (hereafter “IA Reps”) can be found in the accompanying *BROCHURE SUPPLEMENT* document.

Avondale’s principal owners are: **Andrew Patrick Mutscheller** (hereafter “Mutscheller”), **John Wilson Spears** (hereafter “Spears”), **Samuel Sean McGee** (hereafter “McGee”), and **Justin Coy Jacobs** (hereafter “Jacobs”).

### ***INITIAL CONSULTATION***

Avondale will begin by providing the Client a free initial consultation. Avondale uses the initial consultation to:

- Introduce the Client to Avondale, its services, and staff;
- Gather information about the Client’s investment objectives, financial condition, and risk tolerance, which Avondale uses in forming its investment advice; and
- Reach an agreement on the terms of service and compensation arrangements.

The consultation must be completed before Avondale will make any specific recommendations about the Client’s asset allocation or securities to buy or sell.

At the conclusion of the initial consultation, the Client will sign Avondale’s *Investment Advisory Agreement*, which serves as the contract between the Client and Avondale, specifying the precise nature of services to be rendered by Avondale and fees to be paid by the Client.

### ***PORTFOLIO MANAGEMENT SERVICES***

If the Client elects *Portfolio Management Services*, the Client will have the choice of whether the portfolio management is performed on a discretionary or non-discretionary basis. Avondale primarily seeks to manage Client accounts on a discretionary basis, but will also offer non-discretionary management services to those Clients that choose to enter their own transactions.

Whether discretionary or non-discretionary, Avondale will evaluate the Client’s financial condition and risk tolerance in order to tailor its securities recommendations to meet the Client’s investment objectives and individual needs. Avondale also allows the Client to impose any restrictions on investing in certain securities or types of securities.

Avondale will make ongoing recommendations primarily involving: exchange-listed stocks, mutual funds, index funds, exchange-traded funds (ETFs), stock options, and bonds. However, in rare instances, Avondale may recommend investments in private placement offerings. Given that the market will affect the value of these securities, Avondale will monitor Client accounts on a daily basis so that it may make any necessary transactions in discretionary accounts or make any necessary recommendations to Clients in non-discretionary accounts.

The securities mentioned above reflect a broad range of investment risk, including some securities that entail high degrees of risk, such as stock options. Private placement offerings also involve a high degree

of risk that may not be suitable for the average investor.

Avondale does not provide any “wrap programs” (programs that bundle brokerage and advisory services under a single comprehensive fee) so all securities recommended by Avondale may include additional transaction charges by the Client’s broker-dealer/custodian separate from Avondale’s advisory fees.

### **DISCRETIONARY PORTFOLIO MANAGEMENT**

For discretionary accounts, the Client will grant Avondale limited trading authority (discretionary authority) in the Client’s brokerage account by executing the appropriate documents with the Client’s broker-dealer/custodian. The discretionary authority will allow Avondale to enter securities transactions on the Client’s behalf, determining which securities and the amount of securities to buy or sell. Clients will be notified of all transactions by trade confirmations from their broker-dealer/custodian and through communication with Avondale.

Avondale will also request the Client provide written authorization to allow Avondale to automatically deduct its advisory fee from the Client’s account (discussed at greater length in the “FEES AND COMPENSATION” section on page 5 of this *FIRM BROCHURE*); however, Avondale will not have the authority to make any other withdrawals from the Client’s account(s) under management.

As all Clients will be recommended discretionary portfolio management, Avondale anticipates the vast majority of its *Portfolio Management Services* will be rendered on a discretionary basis. With regard to current discretionary accounts, Avondale had \$57,000,000 in discretionary assets under management at the time this document was prepared (31 January 2012).

Avondale recommends the Client grant discretionary authority to Avondale so that it may execute recommendations in a timely fashion, but Clients should always review their brokerage account statements to verify the trading activity and withdrawals that occur in their account(s).

### **NON-DISCRETIONARY PORTFOLIO MANAGEMENT**

For non-discretionary accounts, Avondale will prepare securities recommendations as it does for discretionary accounts, but will provide these recommendations to the Client directly so that the Client may enter the transaction on their own.

Since Avondale will recommend all Clients grant it discretionary authority, Avondale anticipates very little of its *Portfolio Management Services* to be rendered on a non-discretionary basis. With regard to current non-discretionary accounts, Avondale 2,000,000 had no non-discretionary assets under management at the time this document was prepared (31 January 2012).

Since Avondale merely recommends securities transactions for non-discretionary accounts, Clients should take measures to ensure that recommendations are executed in a timely fashion and should review their account(s) to ensure that transactions were entered properly.

### **PRIVATE PORTFOLIO MANAGEMENT**

Clients can also engage Avondale in the due diligence, selection and monitoring of the investment performance of third-party portfolio management services offered by other investment advisors (“Portfolio Managers”) for the provision of investment management, allocation and timing services. Such Portfolio Managers, in turn, will also provide direct management of client assets through the creation of portfolios designed to meet stated goals and objectives.

The Portfolio Managers may have little or no direct client contact, relying instead on prequalification by Avondale through the client financial profile. Avondale will perform such qualifying analysis together with performing certain professional, administrative and clerical duties prior to selection and opening accounts with a particular Portfolio Manager. Once account has been established, Avondale will continue to monitor the Portfolio Manager and provide the client with periodic updates of their performance.

## ***FINANCIAL PLANNING SERVICES***

If the Client elects *Financial Planning Services*, Avondale may extend the initial consultation to include discussions necessary to begin creating a financial plan or may arrange a follow-up meeting to review additional information about the Client's finances. In any case, the Client will have the choice to:

- a) Consult with Avondale on the Client's overall financial situation and obtain a comprehensive, written financial plan; or
- b) Consult with Avondale on a specific topic or an individual security.

As the *Comprehensive Financial Plan* option would include the opportunity to discuss any specific topic or any individual security, Avondale recommends this option for all new Clients. For returning Clients that need to consult with Avondale on a specific topic or individual security, they can do so during an *Annual Financial Plan Review* or engage Avondale for a *Separate Financial Planning Consultation*.

## **COMPREHENSIVE FINANCIAL PLAN**

Avondale will review all aspects of the Client's finances to prepare a written financial plan that makes comprehensive recommendations to help the Client meet their financial objectives. These areas of analysis include: overall asset allocation, securities recommendations, insurance needs, mortgage planning, consumer debt, retirement planning, college planning, trust & estate planning, savings & budgeting, and tax planning.

Avondale will compile this financial information and use it to construct a *Comprehensive Financial Plan* tailored to the Client's specific financial situation. The written financial plan will typically be constructed within a month, but may take longer than six months.

Clients can execute the *Comprehensive Financial Plan* on their own or Avondale can assist in implementation. If *Portfolio Management Services* are recommended in the *Comprehensive Financial Plan*, Clients may engage Avondale for those *Portfolio Management Services* as described above.

## ITEM 5: FEES AND COMPENSATION

### ***MANAGEMENT FEE FOR PORTFOLIO MANAGEMENT SERVICES***

Avondale offers its services on a fee basis which, depending upon the engagement may include fixed fees and/or fees based upon assets under management. The specific manner in which fees are charged is established in the client's Agreement with Avondale. All fees are subject to negotiation, and the factors considered are the size of the account, service requested and the type of assets managed.

In the event the client determines to engage Avondale to provide investment management services, Avondale shall do so on a fee basis. If engaged, Avondale shall charge an annual fee based upon a percentage of the market value of the assets being managed by Avondale.

As described in further detail below, Avondale's annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. However, Avondale shall not receive any portion of these commissions, fees, and costs.

Avondale's annual fee shall be prorated and charged quarterly, in advance, based upon the market value of the assets on the last day of the previous quarter. The annual fee shall vary (between 0.10% and 1.50%) depending upon the market value of the assets under management and the type of investment management services to be rendered, as follows:

#### **Investment Portfolio PORTFOLIO VALUE ANNUAL FEE**

First \$500,000 .....	1.50%
Next \$1,000,000 .....	1.25%
Next \$3,500,000 .....	1.00%
Next \$5,000,000 .....	0.65%
Next \$10,000,000 .....	0.30%

#### **Preservation Portfolio PORTFOLIO VALUE ANNUAL FEE**

First \$1,000,000 .....	0.50%
Next \$4,000,000 .....	0.40%
Next \$5,000,000 .....	0.30%
Next \$10,000,000 .....	0.20%
Above \$20,000,000 .....	0.10%

Avondale does not impose an *account* minimum for starting or maintaining an account. However, as a condition for starting and maintaining a relationship, Avondale shall generally

impose a minimum annual *fee* of \$5,000. This minimum fee may have the effect of making Avondale's services impractical for clients, particularly those with portfolios less than \$500,000 under Avondale's management. Accordingly, Avondale, in its sole discretion, may negotiate to charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, *pro bono* activities, etc.).

For the initial quarter of investment management services, the first quarter's fees shall be calculated on a *pro rata* basis. The *Agreement* between Avondale and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. Avondale's annual fee shall be prorated through the date of termination and any remaining balance shall be charged or refunded to the client, as appropriate, in a timely manner.

### ***PLANNING FEES FOR FINANCIAL PLANNING SERVICES***

For *Comprehensive Financial Plans* and *Annual Financial Plan Reviews*, Avondale charges a fixed fee; however, for *Separate Financial Planning Consultations*, Avondale charges an hourly fee.

<u>Financial Planning Service</u>	<u>Fee Type and Amount</u>
Comprehensive Financial Plan	\$5,000 to \$75,000 fixed fee

Avondale may negotiate its fixed fee amount for *Comprehensive Financial Plans* based on the complexity of the financial plan. The final amount will be specified in the *Investment Advisory Agreement*.

One-half of the estimated fee stated in the *Investment Advisory Agreement* is due at signing. The balance shall be due and payable upon completion of the agreed upon services. If a Client chooses to terminate within five (5) business days from the date of execution or at any time via written notice the *Financial Planning Services* before the product is delivered or service is complete, Avondale will charge a prorated amount for the work completed and will deliver any work product completed.

### ***Asset Withdrawals and Additions***

The client may make additions to and withdrawals from the account at any time, subject to the Registrant's right to terminate an account. If assets are deposited into an account after the inception of a quarter that exceed \$100,000, the fee payable with respect to such assets will be prorated based on the number of days remaining in the quarter. Clients may withdraw account assets on notice to the Registrant, subject to the usual and customary securities settlement procedures. For partial withdrawals in excess of \$100,000 within a billing period, Avondale may credit its unearned fee towards the next quarter's fee. However, Avondale designs its portfolios as long-term investments and asset withdrawals may impair the achievement of a client's investment objectives.

Additions may be in cash or securities provided that Avondale reserves the right to liquidate any transferred securities, or decline to accept particular securities into a client's account. Avondale may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.



### ***Additional Fees***

Clients may incur certain charges imposed by the *Financial Institution(s)* and other third parties such as fees charged by *Independent Managers* (as defined above), custodial fees, charges imposed directly by a mutual fund or exchange traded fund in the account, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, for assets outside of any wrap fee programs, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to Avondale's fee.

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

Avondale's *Agreement* and/or the separate agreement with the *Financial Institution(s)* may authorize Avondale through the *Financial Institution(s)* to debit the client's account for the amount of Avondale's fee and to directly remit that management fee to Avondale in accordance with applicable custody rules.

### ***Termination Provisions, Refunds and Assignment***

Prior to engaging Avondale to provide financial planning and/or consulting services, the client will generally be required to enter into a written agreement with Avondale setting forth the terms and conditions of the engagement and describing the scope of the services to be provided and the portion of the fee that is due from the client prior to Avondale commencing services. Either party may terminate the agreement by written notice to the other. In the event the client terminates Avondale's financial planning and/or consulting services, the balance of Avondale's unearned fees (if any) shall be refunded to the client. If termination occurs within five business days of entering into an agreement for such services the client shall be entitled to a full refund.

*Assignment* of this *Agreement* by Avondale is prohibited without the written consent of the Client. Transactions that do not result in a change of actual control or management of Avondale shall not be considered an assignment.

## **ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

A performance-based fee is an advisory fee based on a percent of capital gains on or capital appreciation of client assets. Performance-based fees paid to investment advisers may be significantly higher than the asset-based fees paid on traditional accounts.

To the extent Avondale charges performance-based fees, such fees will comply with applicable rules and regulations, including Rule 205-3 under the Investment Advisers Act of 1940. The



option for a performance-based fee arrangement is limited to those clients who have either (a) a net worth of at least \$2,000,000 or (b) at least \$1,000,000 under Avondale's management.

Where Avondale has entered into a performance fee arrangement, it may have an economic incentive to make riskier investments and/or pursue riskier strategies than it might otherwise. Additionally, because Avondale manages both accounts with an asset-based fee and performance-based fee, potential conflicts of interests may exist. In order to mitigate any such conflicts, Avondale has developed procedures tailored to result in fair and equitable allocations for each client's account.

### Management Fee Schedule

Assets	Annual Fee
0 - \$10,000,000	0.75%
Above \$10,000,000	0.50%

As discussed in the Agreement, the Base Fee is billed on a quarterly basis, in advance, based upon the market value of the Assets on the last day of the previous quarter.

### Performance Fee

Additionally, we shall be entitled to an annual Performance Fee of twenty percent (20%) of the quarterly performance of the Account. No Performance Fee will be charged in any quarter that the Account's ending value for the period covered does not exceed that of the highest prior period for which a Performance Fee was previously paid (High Water Mark). Once a Performance Fee has been paid to us for any period, we shall retain such Performance Fee notwithstanding subsequent losses in the Account.

## ITEM 7: TYPES OF CLIENTS

Avondale will provide advisory services to various types of Clients, including:

- **Individuals:** Occasionally, Avondale will provide advisory services for their personal accounts.
- **High Net Worth Individuals:** The majority of Avondale clients seek comprehensive financial planning and tax advantaged portfolio management.
- **Small Businesses and Non-Profits:** Occasionally, Avondale will provide advisory services to small businesses and non-profits seeking financial planning or management services for their organization's interests.
- **Pension and Profit Sharing Plans (but not Plan Participants):** On occasion, Avondale may offer pension-consulting services to employee benefit plans of small-to medium-sized companies and their fiduciaries based upon an analysis of the needs of the plan. In general, these services may include an existing plan review, asset allocation advice, *Portfolio Management Services*, *Investment Performance Monitoring*, and/or ongoing consulting. We may have agreements with third party administrators ("TPAs") to provide some of these services as part of the TPA's

agreement with the plan. Our firm and the TPA may share in fees charged to the plan for their respective services rendered to the plan.

As a condition for starting and maintaining a relationship, Avondale shall generally impose a minimum annual *fee* of \$5,000. This may be negotiated depending on the complexity of the clients' needs.

## **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

For *Financial Planning Services*, Avondale analyzes the Client's financial goals and objectives, income and spending, savings and investments, risks and insurance needs, asset allocation, and tax implications. This analysis seeks to ensure that the Client's needs are addressed while making progress toward their financial goals and objectives.

For *Portfolio Management Services*, Avondale uses fundamental and technical analysis to determine the investments in a given portfolio.

In its fundamental analysis, Avondale seeks to determine the intrinsic value of equities based on a thorough analysis of the fundamental business factors of the given stock(s) at issue. This includes: analysis of financial statements, earnings, dividends, management structure, competitive advantages, product offerings, competitors and markets. In essence, this method of analysis evaluates the overall condition of the company (or companies in a mutual fund or ETF) to determine whether it is a sound investment. Despite the fundamental analysis performed by Avondale, any investment in securities carries market risk and investors may lose their principal investment.

In its technical analysis, Avondale seeks to determine the future direction of prices through the study of past market data, primarily price and volume. This is done by charting the movement of investments to identify trends and patterns used in the selection of securities to purchase and price points to buy and sell. Avondale uses a number of stock screeners and other software to chart and analyze the movement of various investments. Despite the technical analysis performed by Avondale, any investment in securities carries market risk and investors may lose their principal investment.

For *Portfolio Management Services*, the investment strategies used will vary depending on the Client's Financial goals and risk tolerance. Generally, Clients seeking capital preservation with limited risk will be managed with passive strategies using fixed income products (e.g. bonds) and index funds whereas Clients seeking growth with greater risk will be managed with active strategies using stocks, mutual funds, ETFs, and stock options.

While Avondale will not engage in day-trading, active strategies may entail additional risk due to a greater frequency in transactions, which may involve additional brokerage fees, transaction costs, and taxes. Also, strategies that use options may entail additional risk as losses may exceed those seen in the underlying stock. Lastly, strategies that include private placement offerings entail greater risk as these offerings have limited regulatory oversight, have less liquidity, and depend on the due diligence of the investor or investment adviser.

## **ITEM 9: DISCIPLINARY INFORMATION**

Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the registered investment

Adviser or the integrity of its management. Neither Avondale, its principals, nor its employees have a history of any legal or disciplinary action.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **Other Financial Industry Activities or Affiliations**

#### **Third-Party Investment Advisers:**

Avondale may recommend that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain independent investment manager(s) (“*Independent Manager(s)*”), based upon the stated investment objectives of the client. The terms and conditions under which the client shall engage the *Independent Manager(s)* shall be set forth in separate written agreements between (1) the client and Avondale and (2) the client and the designated *Independent Manager(s)*. Avondale shall continue to render advisory services to the client relative to the ongoing monitoring and review of account performance, for which Avondale shall receive a as explained in the “FEES AND COMPENSATION” section (Page 7). Factors that Avondale shall consider in recommending *Independent Manager(s)* include the client’s stated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research.

Avondale does not provide any “wrap programs” (programs that bundle brokerage and advisory services under a single comprehensive fee) so all securities recommended by Avondale may include additional transaction charges by the Client’s broker-dealer/custodian separate from Avondale’s advisory fees. The investment management fees charged by the designated *Independent Manager(s)*, may be.

In the event the client desires, the client can engage certain persons “*associated*” with Avondale (but not Avondale) to render securities brokerage services under a commission arrangement. Under this arrangement, the client may implement securities transactions through certain of Avondale’s *Advisory Affiliates* (as defined below), in their respective individual capacities as registered representatives of Purshe Kaplan Sterling Investments, Inc. (“*PKS*”), an SEC registered broker-dealer and member of the FINRA. Brokerage commissions may be charged by *PKS* to effect these securities transactions and thereafter, a portion of these commissions may be paid by *PKS* to such *Advisory Affiliates*. Prior to effecting any transactions, the client will be required to enter into a new account agreement with *PKS*. The brokerage commissions charged by *PKS* may be higher or lower than those charged by other broker-dealers. In addition, certain of Avondale’s *Advisory Affiliates* (as applicable), may also receive additional ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that the client maintains the mutual fund investment.

While Avondale does not sell such securities products to its investment advisory clients, the Registrant does permit its *Advisory Affiliates*, in their individual capacities as registered Representatives of *PKS*, to sell securities products to its investment advisory clients. A conflict of interest exists to the extent that Avondale recommends the purchase of securities where the Registrant’s *Advisory Affiliates* receive commissions or other additional compensation as a result of Avondale’s recommendations.

#### **Insurance Company or Agency**

While Avondale is not an insurance agency, IA Reps of Avondale may be licensed as independent insurance agents and have affiliations with the various insurance companies whose products they sell. Specifically, Mutscheller, Spears, McGee and Jacobs are licensed as independent insurance agents in Texas. As an IA Reps of Avondale, they may recommend insurance products and may also, as an independent insurance agent, sell those recommended insurance products to Clients. When such recommendations or sales are made, a conflict of interest exists as the Insurance licensed IA Reps earn insurance commissions for the sale of those products, which may create an incentive to recommend such products. Avondale requires that all IA Reps disclose this conflict of interest when such recommendations are made. Also, Avondale requires IA Reps to disclose that Clients may purchase recommended insurance products from other insurance agents not affiliated with Avondale.

#### **Other Financial Industry Activities or Affiliates – *Individuals***

Andy Mutscheller, Justin Jacobs, and Sam McGee are Registered Representative Agents of Purshe Kaplan Sterling Investments, 18 Corporate Woods Boulevard Albany, New York 12211 a FINRA registered Broker-dealer. On occasion, they may affect transactions on behalf of clients of Avondale Wealth Management LLC with respect to the purchase of securities products. The registered representative affecting the sale of an insurance product may receive a commission for the sale of such product. Commission payments are made directly to the individual registered representative who effected the transaction. Prior to affecting a sale of an insurance product, disclosure will be provided to the client that the registered representative will receive a commission. No compensation is paid to Avondale Wealth Management LLC, Inc. with respect to such transactions.

#### **Other Financial Industry Activities or Affiliates – *Activities***

Avondale, may also manage, or affiliate with other investment advisory firms who manage, private limited partnerships designed to meet specific goals and objectives of qualified investors. A conflict of interest exists, as Avondale may have a financial interest in or will receive compensation for managing these products. In all cases, clients will receive full written disclosure of all fees and potential conflicts of interest.

## **ITEM 11: CODE OF ETHICS**

### ***CODE OF ETHICS***

Pursuant to SEC Rule 204A-1, Avondale has a Code of Ethics that promotes the fiduciary duty of Avondale and its IA Reps. The Code of Ethics articulates the importance of trust as a foundation to the relationship between an investment adviser and its Clients and establishes policies and procedures to ensure that Avondale and its IA Reps place the interests of the Clients first. The Code of Ethics requires that Avondale and its IA Reps adhere to all applicable securities and related laws and regulations. The Code of Ethics also requires Avondale and its IA Reps to follow industry “best practices” involving: confidential information, suitability of investments, personal trading on the part of Avondale and its IA Reps, outside business activities of IA Reps, and the disclosure of conflicts of interest.

A copy of the Adviser’s Code of Ethics is available upon request for any Client or prospective Client.

### ***PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING***

While Avondale has no proprietary interest in Client transactions, its IA Reps may have a financial interest in those recommended transactions that involve the purchase of an insurance product. As explained in the “OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS” section (page 9),

Mutscheller, Spears, McGee and Jacobs are licensed as independent insurance agents in Texas. As an IA Rep of Avondale, they may recommend insurance products and may also, as an independent insurance agent, sell those recommended insurance products to Advisory Clients. When such recommendations or sales are made, a conflict of interest exists as the Insurance Licensed IA Reps will earn insurance commissions for the sale of those products, which may create an incentive to recommend such products. Avondale requires that all IA Reps disclose this conflict of interest when such recommendations are made. Also, Avondale requires IA Reps to disclose that Advisory Clients may purchase recommended insurance products from other insurance agents not affiliated with Avondale.

Additionally, IA Reps of Avondale may have an interest in Client transactions insofar as they may personally invest in the same securities recommended to Advisory Clients. These transactions involve a conflict of interest as Avondale or IA Reps may benefit from an increase in price from subsequent purchases by Advisory Clients. To address this conflict of interest, Avondale and its IA Reps will adhere to the following procedures regarding their personal trading:

1. Client transactions will always be placed ahead of those for Avondale, its management, and its IA Reps;
2. Avondale and its IA Reps will mostly recommend investments that are widely traded;
3. In the rare instance where private placement offerings are recommended to Clients and an IA Rep also has an ownership interest in the private offering, full disclosure will be given so the Client fully understands that conflict of interest; and
4. Neither Advisory Clients nor IA Reps will have enough funds invested in any given security to move the market in that particular security.

## **ITEM 12: BROKERAGE PRACTICES**

Avondale may recommend a broker to the client for the purpose of executing trades at a previously negotiated discount rate. For this service, Avondale shall generally recommend that clients utilize the brokerage and clearing services of Fidelity Institutional Wealth Services and its affiliates (collectively referred to as “*Fidelity*”).

Factors which Avondale considers in recommending *Fidelity* or any other broker-dealer, to clients include their respective financial strength, reputation, execution, pricing, research, and service. *Fidelity* enables Avondale to obtain many mutual funds without transaction charges and other securities at nominal transaction charges.

The commissions and/or transaction fees charged by *Fidelity* may be higher or lower than those charged by other broker-dealers. The commissions paid by Avondale’s clients shall comply with Avondale’s duty to obtain “best execution.” However, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Avondale determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received.

Avondale may receive from *Fidelity*, without cost to Avondale, computer software and related systems support, which allow Avondale to better monitor client accounts maintained at *Fidelity*. Avondale may receive the software and related support without cost because Avondale renders investment management services to clients that maintain assets at *Fidelity*. The software and related systems support may benefit Avondale, but not its clients directly.

Additionally, Avondale may receive the following benefits from *Fidelity* through the Fidelity Institutional Wealth Services Group: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Institutional Wealth Services Group participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

### **Conflict of Interest**

In fulfilling its duties to its clients, Avondale endeavors at all times to put the interests of its clients first. Clients should be aware however, that Avondale's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence Avondale's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

### **Best Execution**

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while Avondale will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

## **ITEM 13: REVIEW OF ACCOUNTS**

For Portfolio Management Clients, Avondale reviews all Clients' account holdings daily, but reviews individual Client accounts on a quarterly basis in conjunction with calculating their management fees. *Portfolio Management* Clients are encouraged to meet with Avondale at least once per year to review their account as a whole, ensuring that the management aligns with their current financial condition, goals and objectives.

For Financial Planning Clients, Avondale reviews the Client's account in the initial preparation of a *Comprehensive Financial Plan*. Financial Planning Clients are encouraged to meet with Avondale at least once per year to review their account as a whole, ensuring that their financial plan aligns with their current financial condition, goals and objectives.

Performance results may be provided to clients on a quarterly basis. If such report is prepared, each quarterly statement will summarize the specific investments currently held and the value of client's portfolio.

## **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

Avondale does not use or employ the services of a solicitor, nor does it compensate and individual or entity for these services



## ITEM 15: CUSTODY

Clients will engage an independent broker-dealer and custodian to maintain their accounts and so Avondale will not have *physical* custody of Clients' assets, monies, or securities. However, since Avondale may withdraw advisory fees directly from Clients' accounts (as described in the "FEES AND COMPENSATION" on pages 7, 8 and 9 of this Brochure), Avondale is considered to have custody in a limited capacity. Again, this custody is due solely to the direct withdrawal of fees and does not entail all of the same legal and regulatory requirements as an investment adviser with physical custody of Clients' assets, monies, or securities. Accordingly, Clients will only receive account statements from their broker-dealer and custodian (though Avondale may send invoices or other communication), at least quarterly.

Avondale urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## ITEM 16: INVESTMENT DISCRETION

As described in the "ADVISORY BUSINESS" section (pages 4-6 of this *FIRM BROCHURE*), Avondale will have investment discretion for those Advisory Clients that elect *Discretionary Portfolio Management Services*. Clients will select this option specifically in Avondale's *Investment Advisory Agreement* and will sign a trading authorization form with their broker-dealer/custodian.

When Advisory Clients grant discretionary authority to Avondale, Clients may still place restrictions on the advisor, such as a prohibition on investing in specific securities, industries, or markets that the Client chooses. Additionally, unless specifically instructed otherwise by the Client, Avondale seeks to maintain diversified investment portfolios for its Portfolio Management Clients and will not concentrate more than 15 percent of a Client's investable assets into any ETF or non-diversified product (e.g. stock, bond, options contract) and will not concentrate more than 50 percent of a Client's investable assets into any diversified products (e.g. mutual funds, index funds).

Avondale executes an agreement with each client which sets forth the authority to buy and sell securities in whatever amounts are determined to be appropriate for the account and whether such transactions are with, or without, prior approval by the client.

## ITEM 17: VOTING CLIENT SECURITIES

For any security that entails a voting right in the underlying company, Avondale will not have or accept authority to vote Client securities. All voting issues, proxies, and solicitations will be communicated to Advisory Clients through the Client's broker-dealer/custodian. Additionally, Avondale will not provide advice to clients regarding their voting of proxies.

Any proxy solicitations received at Avondale's place of business will be immediately forwarded to the client for their evaluation and decision.



## ITEM 18: FINANCIAL INFORMATION

Registered Investment Advisers are required to provide you with certain financial information or disclosures regarding their financial condition. Avondale has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of any bankruptcy proceedings.

## ITEM 19: REQUIREMENTS FOR STATE REGISTERED ADVISERS

Avondale's has four principal executive officers (or management persons): **Andrew Patrick Mutscheller, John Wilson Spears, Samuel Sean McGee, and Justin Coy Jacobs.** Their biographical information is given on the attached *BROCHURE SUPPLEMENT* document.

Under the "FEES AND COMPENSATION" section of this *FIRM BROCHURE*, the subsection titled "*OTHER COMPENSATION*" explains that IA Reps of Avondale may also be licensed as insurance agents and may receive insurance commissions for the sale of insurance products. This activity and the conflicts of interest associated with it are discussed at greater length in the "*OTHER COMPENSATION*" subsection on page 8 of this *FIRM BROCHURE*.

Avondale would be required to disclose additional information if it: had any other relationship or arrangement with any issuer of securities; or was ever found liable in either: (a) an arbitration, or (b) a civil, self-regulatory organization, or administrative proceeding. As none of these apply to Avondale, its management persons, or IA Reps, Avondale has no information to disclose in these regards.

The principal executive officer(s) and respective backgrounds of Avondale Wealth Management, LLC are as follows:

### **Andy Mutscheller, Principal**

Born 1976

Andy Mutscheller has 12 years of expertise in asset management. Prior to founding Avondale, he was Vice President and Client Advisor for J.P. Morgan Asset Management. In his 11 years with J.P. Morgan, he was responsible for managing high net worth client portfolios and advising institutional client portfolios ranging from \$100 million to \$1 billion. Since 2002, he has specialized on delivering multiple asset class solutions for endowments, foundations, retirement plans, and insurance clients. Previously, he spent four years with Banc One Investment Advisors in Columbus, Ohio as a portfolio manager advising high net worth clients. Andy has a BBA with a focus in financial services from the University of Toledo (1998), and an MBA from Otterbein College in Westerville, Ohio (2005). His exams include Series 3, 7, 63, 65, and Texas General Lines Insurance.

### **Justin C. Jacobs, Principal**

Born 1977

Justin Jacobs specializes in financial and estate planning for high net worth families. He has 10 years expertise in wealth planning and asset management. Before founding Avondale, Justin was a Senior Vice President and Senior Investment Strategist for the BBVA Compass Wealth

Management Group in Austin, Texas. Prior to BBVA Compass he spent five years as a Financial Advisor at Merrill Lynch where he was the junior partner on the top producing team in Central Texas. Justin has an Economics degree from Yale University (2000). His exams include Series 7, 66, and Texas General Lines Insurance.

**Sam McGee, Principal**

Born 1975

Sam McGee specializes in wealth management and financial planning for high net worth families. He brings 11 years experience in wealth planning, asset management, and private banking for high net worth families. Prior to founding Avondale, Sam was a Senior Vice President for the BBVA Compass Wealth Management Group in Dallas, TX. Prior to BBVA Compass, he helped launch Wachovia Wealth Management in their de novo expansion in Texas, also serving as the bank's medical segmentation Co-Chairman nationally. Sam has an MBA in Finance from the Bauer School at the University of Houston (2001), and an undergraduate business degree from Texas A&M University (1998). His exams include Series 7, 66, and Texas General Lines Insurance.

**John Spears, Principal**

Born 1976

John Spears focuses on general management, client support and asset management. Prior to founding Avondale, John held a management role as Senior Vice President of Energy Education, Inc., an energy management consulting firm. Prior to joining Energy Education he was an Associate with Arthur Andersen LLP's Business Valuation Group, performing economic valuations of owner interests in businesses. John has a bachelor's degree in Finance from Texas Christian University. His exams include Series 7, 66, and Texas General Lines Insurance.

**(Part 2B of Form ADV)**

***Supervised Person(s):***

Andy Mutscheller

***AVONDALE WEALTH MANAGEMENT LLC***

14901 Quorum Drive, Suite 900  
Dallas, Texas 75254

(214) 871-8833

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

***February 2012***

**PURPOSE OF THE BROCHURE SUPPLEMENT:**

This *BROCHURE SUPPLEMENT* provides information about Andy Mutscheller that supplements the Avondale Wealth Management, LLC *FIRM BROCHURE* document. You should have received a copy of that *FIRM BROCHURE*. Please contact Andy Mutscheller if you did not receive Avondale Wealth Management, LLC's *FIRM BROCHURE* or if you have any questions about the contents of this *BROCHURE SUPPLEMENT*.

Additional information about Andy Mutscheller is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (the CRD number for Andy Mutscheller 4629176).

**NOTE:**

While Avondale Wealth Management, LLC may refer to itself as a "registered investment advisor" or "RIA" Clients should be aware that registration itself does not imply any level of skill or training.

## **EDUCATIONAL AND BUSINESS EXPERIENCE**

**Andy Mutscheller**, Born 1976, Principal/Chief Compliance Officer of Avondale Wealth Management, LLC.

### ***Education:***

BBA – University of Toledo, 1998

MBA – Otterbein College, Westerville, OH, 2005

### ***Business Background:***

Avondale Wealth Management, LLC (2010-Present)

Purshe Kaplan Sterling Investments (2010-Present)

J.P. Morgan Asset Management (1999-2010)

Mutscheller served as Vice President and Client Advisor for J.P. Morgan Asset Management. In his 11 years with J.P. Morgan, he was responsible for managing high net worth client portfolios and advising institutional client portfolios ranging from \$100 million to \$1 billion. Since 2002, he has specialized on delivering multiple asset class solutions for endowments, foundations, retirement plans, and insurance clients.

His exams include Series 3, 7, 63, 65, and Texas General Lines Insurance.

## **DISCIPLINARY INFORMATION**

Andy Mutscheller has not had any legal or disciplinary events in their past. Clients and prospective clients can view the CRD records (registration records) for Mutscheller through the SEC's Investment Adviser Public Disclosure (IAPD) website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or FINRA's Broker Check database online at [www.finra.org/brokercheck](http://www.finra.org/brokercheck). The CRD number for Andy Mutscheller is 4629176

## **OTHER BUSINESS ACTIVITIES**

In addition to being investment adviser representatives (hereafter "IA Reps") of Avondale Wealth Management, LLC (hereafter "Avondale"), Mutscheller is licensed as independent insurance agent in Texas. Mutscheller, as an IA Rep of Avondale, may make recommendations on insurance products and may also, as independent insurance agents, sell those recommended insurance products to advisory clients. When such recommendations or sales are made, a conflict of interest exists as Mutscheller may earn insurance commissions for the sale of those products, which may create an incentive to recommend such products. Avondale requires that Mutscheller disclose this conflict of interest when such recommendations are made. Also, Avondale requires Mutscheller to disclose that advisory clients may purchase recommended insurance products from other insurance agents not affiliated with Avondale.

Andy Mutscheller, is a Registered Representative Agent of Purshe Kaplan Sterling Investments, 18 Corporate Woods Boulevard Albany, New York 12211 a FINRA registered Broker-dealer. On occasion, he may affect transactions on behalf of clients of Avondale Wealth Management, LLC with respect to the purchase of securities products. The registered representative affecting the transaction may receive a commission. Commission payments are made directly to the

individual registered representative who effected the transaction. Prior to affecting a transaction, disclosure will be provided to the client that the registered representative will receive a commission. No compensation is paid to Avondale Wealth Management LLC, Inc. with respect to such transactions.

### **ADDITIONAL COMPENSATION**

Aside from the sales commissions paid by insurance companies to Mutscheller (see the “OTHER BUSINESS ACTIVITIES” section above), Mutscheller does not receive any additional compensation from non-clients for providing advisory services. All advisory compensation is paid by clients directly.

### **SUPERVISION**

As Chief Compliance Officer of Avondale, Andy Mutscheller is primarily responsible for supervision of Avondale Wealth Management, LLC. And its IA Reps. As Mutscheller is an IA Rep himself, his accounts are also reviewed by another principal of Avondale. All financial plan recommendations are reviewed by all Principals before the financial plan is complete. For portfolio management recommendations, Mutscheller reviews all recommended transactions at the end of each day. All Principals also review accounts as a whole each quarter in conjunction with the calculation of advisory fees.

### **REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

Avondale would be required to disclose additional information for Mutscheller if he had ever been the subject of a bankruptcy petition or ever been found liable in either: (a) an arbitration; or (b) a civil, self-regulatory organization, or administrative proceeding. As none of these apply to Mutscheller, Avondale has no information to disclose in this regard.

**(Part 2B of Form ADV)**

***Supervised Person(s):***

Justin C. Jacobs

***AVONDALE WEALTH MANAGEMENT LLC***

14901 Quorum Drive, Suite 900  
Dallas, Texas 75254

(214) 871-8833

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

***February 2012***

**PURPOSE OF THE BROCHURE SUPPLEMENT:**

This *BROCHURE SUPPLEMENT* provides information about Justin C. Jacobs that supplements the Avondale Wealth Management, LLC *FIRM BROCHURE* document. You should have received a copy of that *FIRM BROCHURE*. Please contact Justin C. Jacob if you did not receive Avondale Wealth Management, LLC's *FIRM BROCHURE* or if you have any questions about the contents of this *BROCHURE SUPPLEMENT*.

Additional information about Justin C. Jacob is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (the CRD number for Justin C. Jacob 4268827).

**NOTE:**

While Avondale Wealth Management, LLC may refer to itself as a "registered investment advisor" or "RIA" Clients should be aware that registration itself does not imply any level or skill or training.

## **EDUCATIONAL AND BUSINESS EXPERIENCE**

**Justin C. Jacobs**, Born 1977, specialist in financial and estate planning for Avondale Wealth Management, LLC.

### ***Education:***

B.S. – Economics – Yale University, 2000

### ***Business Background:***

Avondale Wealth Management, LLC (2010 – Present)

Purshe Kaplan Sterling Investments, Inc (2010 – Present)

BBVA Compass Wealth Management. (2000 – 2006)

Compass Bank (01/2006 – 03/2010)

Merrill Lynch, Pierce, Fenner & Smith, Inc. (09/2000 – 01/2006)

Justin C. Jacobs served as a Registered Representative Agent of Purshe Kaplan Sterling Investments, Inc. Justin Jacobs specializes in financial and estate planning for high net worth families. He has 10 years expertise in wealth planning and asset management. Before founding Avondale, Justin was a Senior Vice President and Senior Investment Strategist for the BBVA Compass Wealth Management Group in Austin, Texas. Prior to BBVA Compass he spent five years as a Financial Advisor at Merrill Lynch where he was the junior partner on the top producing team in Central Texas.

His exams include Series 7, 66, and Texas General Lines Insurance.

## **DISCIPLINARY INFORMATION**

Justin C. Jacobs has not had any legal or disciplinary events in their past. Clients and prospective clients can view the CRD records (registration records) for Jacobs through the SEC's Investment Adviser Public Disclosure (IAPD) website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or FINRA's Broker Check database online at [www.finra.org/brokercheck](http://www.finra.org/brokercheck). The CRD number for Justin C. Jacobs is 4268827

## **OTHER BUSINESS ACTIVITIES**

In addition to being investment adviser representatives (hereafter "IA Reps") of Avondale Wealth Management, LLC (hereafter "Avondale"), Jacobs is licensed as independent insurance agent in Texas. Jacobs, as an IA Rep of Avondale, may make recommendations on insurance products and may also, as independent insurance agents, sell those recommended insurance products to advisory clients. When such recommendations or sales are made, a conflict of interest exists as Jacobs may earn insurance commissions for the sale of those products, which may create an incentive to recommend such products. Avondale requires that Jacobs disclose this conflict of interest when such recommendations are made.



Also, Avondale requires Jacobs to disclose that advisory clients may purchase recommended insurance products from other insurance agents not affiliated with Avondale.

Justin C. Jacobs, is a Registered Representative Agent of Purshe Kaplan Sterling Investments, 18 Corporate Woods Boulevard Albany, New York 12211 a FINRA registered Broker-dealer. On occasion, he may affect transactions on behalf of clients of Avondale Wealth Management, LLC with respect to the purchase of securities products. The registered representative affecting the transaction may receive a commission. Commission payments are made directly to the individual registered representative who effected the transaction. Prior to affecting a transaction, disclosure will be provided to the client that the registered representative will receive a commission. No compensation is paid to Avondale Wealth Management LLC, Inc. with respect to such transactions.

#### **ADDITIONAL COMPENSATION**

Aside from the sales commissions paid by insurance companies to Jacobs (see the “OTHER BUSINESS ACTIVITIES” section above), Jacobs does not receive any additional compensation from non-clients for providing advisory services. All advisory compensation is paid by clients directly.

#### **SUPERVISION:**

As Chief Compliance Officer of Avondale, Andy Mutscheller is primarily responsible for supervision of Avondale Wealth Management, LLC. And its IA Reps. All financial plan recommendations are reviewed by all Principals before the financial plan is complete. For portfolio management recommendations, Mutscheller reviews all recommended transactions at the end of each day. All Principals also review accounts as a whole each quarter in conjunction with the calculation of advisory fees. Advisory clients may contact any principal directly.

#### **REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

Avondale would be required to disclose additional information for Jacobs if he had ever been the subject of a bankruptcy petition or ever been found liable in either: (a) an arbitration; or (b) a civil, self-regulatory organization, or administrative proceeding. As none of these apply to Jacobs, Avondale has no information to disclose in this regard.

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**(Part 2B of Form ADV)**

***Supervised Person(s):***

Samual S. McGee  
25 City West Blvd., Ste. 300  
Houston, TX 77046

***AVONDALE WEALTH MANAGEMENT LLC***

14901 Quorum Drive, Suite 900  
Dallas, Texas 75254

(214) 871-8833

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***February 2012***

**PURPOSE OF THE BROCHURE SUPPLEMENT:**

This *BROCHURE SUPPLEMENT* provides information about Samual S. McGee that supplements the Avondale Wealth Management, LLC *FIRM BROCHURE* document. You should have received a copy of that *FIRM BROCHURE*. Please contact Samual S. McGee if you did not receive Avondale Wealth Management, LLC's *FIRM BROCHURE* or if you have any questions about the contents of this *BROCHURE SUPPLEMENT*.

Additional information about Samual S. McGee is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (the CRD number for Samual S. McGee 4551147).

**NOTE:**

While Avondale Wealth Management, LLC may refer to itself as a "registered investment advisor" or "RIA" Clients should be aware that registration itself does not imply any level or skill or training.

## **EDUCATIONAL AND BUSINESS EXPERIENCE**

**Samual S. McGee**, Born 1975, specializes in wealth management and financial planning for high net worth families.

### ***Education:***

M.B.A. Finance – Bauer School at the University of Houston (2001)

B.S. Business Administration - Texas A & M University (1998)

### ***Business Background:***

Avondale Wealth Management, LLC (03/2010 - Present)

Purshe Kaplan Sterling Investments, Inc (03/2010 - Present)

BBVA Compass Wealth Management. (10/2007 – 03/2010)

Compass Bank (03/2007 – 03/2010)

Wachovia Securities, LLC (01/2005 – 07/2007)

Wachovia Bank, N.A. (10/2004 – 07/2007)

Banc of America Investment Services, Inc. (06/2002 – 10/2004)

Bank of America, N.A. (06/2002 – 10/2004)

MD Anderson Cancer Center (06/2000 – 02/2002)

Samual S. McGee served as a Registered Representative Agent of Purshe Kaplan Sterling Investments, Inc. specializing in financial and estate planning for high net worth families. He has 10 years expertise in wealth planning and asset management. Before founding Avondale, McGee was a Senior Vice President for the BBVA Compass Wealth Management Group in Dallas, TX. Prior to BBVA Compass, he helped launch Wachovia Wealth Management in their de novo expansion in Texas, also serving as the bank's medical segmentation Co-Chairman nationally.

His exams include Series 7, 66, and Texas General Lines Insurance.

## **DISCIPLINARY INFORMATION**

Samual S. McGee has not had any legal or disciplinary events in their past. Clients and prospective clients can view the CRD records (registration records) for McGee through the SEC's Investment Adviser Public Disclosure (IAPD) website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or FINRA's Broker Check database online at [www.finra.org/brokercheck](http://www.finra.org/brokercheck). The CRD number for Samual S. McGee is 4551147

## **OTHER BUSINESS ACTIVITIES**

In addition to being investment adviser representatives (hereafter “IA Reps”) of Avondale Wealth Management, LLC (hereafter “Avondale”), McGee is licensed as independent insurance agent in Texas. McGee, as an IA Rep of Avondale, may make recommendations on insurance products and may also, as independent insurance agents, sell those recommended insurance products to advisory clients. When such recommendations or sales are made, a conflict of interest exists as Jacobs may earn insurance commissions for the sale of those products, which may create an incentive to recommend such products. Avondale requires that McGee disclose this conflict of interest when such recommendations are made. Also, Avondale requires McGee to disclose that advisory clients may purchase recommended insurance products from other insurance agents not affiliated with Avondale.

Samual S. McGee, is a Registered Representative Agent of Purshe Kaplan Sterling Investments, 18 Corporate Woods Boulevard Albany, New York 12211 a FINRA registered Broker-dealer. On occasion, he may affect transactions on behalf of clients of Avondale Wealth Management, LLC with respect to the purchase of securities products. The registered representative affecting the transaction may receive a commission. Commission payments are made directly to the individual registered representative who effected the transaction. Prior to affecting a transaction, disclosure will be provided to the client that the registered representative will receive a commission. No compensation is paid to Avondale Wealth Management LLC, Inc. with respect to such transactions.

## **ADDITIONAL COMPENSATION**

Aside from the sales commissions paid by insurance companies to McGee (see the “OTHER BUSINESS ACTIVITIES” section above), McGee does not receive any additional compensation from non-clients for providing advisory services. All advisory compensation is paid by clients directly.

## **SUPERVISION**

As Chief Compliance Officer of Avondale, Andy Mutscheller is primarily responsible for supervision of Avondale Wealth Management, LLC. and its IA Reps. All financial plan recommendations are reviewed by all Principals before the financial plan is complete. For portfolio management recommendations, Mutscheller reviews all recommended transactions at the end of each day. All Principals also review accounts as a whole each quarter in conjunction with the calculation of advisory fees. Advisory clients may contact any principal directly.

## **REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

Avondale would be required to disclose additional information for McGee if he had ever been the subject of a bankruptcy petition or ever been found liable in either: (a) an arbitration; or (b) a civil, self-regulatory organization, or administrative proceeding. As none of these apply to McGee, Avondale has no information to disclose in this regard.

**(Part 2B of Form ADV)**

***Supervised Person(s):***

John W. Spears  
200 Crescent Ct., Ste. 60  
Dallas, TX 75254

***AVONDALE WEALTH MANAGEMENT LLC***

14901 Quorum Drive, Suite 900  
Dallas, Texas 75254

(214) 871-8833

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

***February 2012***

**PURPOSE OF THE BROCHURE SUPPLEMENT:**

This *BROCHURE SUPPLEMENT* provides information about John W. Spears that supplements the Avondale Wealth Management, LLC *FIRM BROCHURE* document. You should have received a copy of that *FIRM BROCHURE*. Please contact John W. Spears if you did not receive Avondale Wealth Management, LLC's *FIRM BROCHURE* or if you have any questions about the contents of this *BROCHURE SUPPLEMENT*. Additional information about John W. Spears is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (the CRD number for John W. Spears 4551147).

**NOTE:**

While Avondale Wealth Management, LLC may refer to itself as a "registered investment advisor" or "RIA" Clients should be aware that registration itself does not imply any level or skill or training.

## **EDUCATIONAL AND BUSINESS EXPERIENCE**

**John W. Spears**, Born 1976

### ***Education:***

*B.S. Finance – Texas Christian University*

### ***Business Background:***

Avondale Wealth Management, LLC (03/2010 - Present)

Purshe Kaplan Sterling Investments, Inc (01/2010 - Present)

Avondale Street L.L.C. (10/2008 - Present)

Energy Education Inc. (10/2008 – Present)

Arthur Anderson LLP (04/2001 – 02/2003)

Link 18 Inc. (03/2000 – 03/2001)

John W. Spears served as a Registered Representative Agent of Purshe Kaplan Sterling Investments, Inc. specializing in financial and estate planning for high net worth families. He has 10 years expertise in wealth planning and asset management. Before founding Avondale, John held a management role as Senior Vice President of Energy Education, Inc., an energy management consulting firm. Prior to joining Energy Education he was an Associate with Arthur Andersen LLP's Business Valuation Group, performing economic valuations of owner interests in businesses. John has a bachelor's degree in Finance from Texas Christian University. His exams include Series 7, 66, and Texas General Lines Insurance.

His exams include Series 7, 66, and Texas General Lines Insurance.

## **DISCIPLINARY INFORMATION**

John W. Spears has not had any legal or disciplinary events in their past. Clients and prospective clients can view the CRD records (registration records) for Spears through the SEC's Investment Adviser Public Disclosure (IAPD) website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or FINRA's Broker Check database online at [www.finra.org/brokercheck](http://www.finra.org/brokercheck). The CRD number for John W. Spears is 4168025.

## **OTHER BUSINESS ACTIVITIES**

In addition to being investment adviser representatives (hereafter "IA Reps") of Avondale Wealth Management, LLC (hereafter "Avondale"), Spears is licensed as independent insurance agent in Texas. Spears, as an IA Rep of Avondale, may make recommendations on insurance products and may also, as independent insurance agents, sell those recommended insurance products to advisory clients. When such recommendations or sales are made, a conflict of interest exists as Spears may earn insurance commissions for the sale of those products, which may create an incentive to recommend such products. Avondale requires that Spears disclose this conflict of interest when such recommendations are made.

Also, Avondale requires Spears to disclose that advisory clients may purchase recommended insurance products from other insurance agents not affiliated with Avondale.

John W. Spears, is a Registered Representative Agent of Purshe Kaplan Sterling Investments, 18 Corporate Woods Boulevard Albany, New York 12211 a FINRA registered Broker-dealer. On occasion, he may affect transactions on behalf of clients of Avondale Wealth Management, LLC with respect to the purchase of securities products. The registered representative affecting the transaction may receive a commission. Commission payments are made directly to the individual registered representative who effected the transaction. Prior to affecting a transaction, disclosure will be provided to the client that the registered representative will receive a commission. No compensation is paid to Avondale Wealth Management LLC, Inc. with respect to such transactions.

### **ADDITIONAL COMPENSATION**

Aside from the sales commissions paid by insurance companies to Spears (see the “OTHER BUSINESS ACTIVITIES” section above), Spears does not receive any additional compensation from non-clients for providing advisory services. All advisory compensation is paid by clients directly.

### **SUPERVISION**

John W. Spears is primarily responsible for supervision of Avondale Wealth Management, LLC. and its IA Reps. As Spears is an IA Rep himself, his accounts are also reviewed by another principal of Avondale. All financial plan recommendations are reviewed by all Principals before the financial plan is complete. For portfolio management recommendations, Spears reviews all recommended transactions at the end of each day. All Principals also review accounts as a whole each quarter in conjunction with the calculation of advisory fees. Advisory clients may contact any principal directly.

### **REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

Avondale would be required to disclose additional information for Spears if he had ever been the subject of a bankruptcy petition or ever been found liable in either: (a) an arbitration; or (b) a civil, self-regulatory organization, or administrative proceeding. As none of these apply to Spears, Avondale has no information to disclose in this regard.