

Part 2A of Form ADV: Firm *Brochure*

**Item 1 Cover Page**

November 14, 2014

**This brochure provides information about the qualifications and business practices of Titus Wealth Management. If you have any questions about the contents of this brochure, please contact us at (415) 461-4800 and/or [eric@tituswealth.com](mailto:eric@tituswealth.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about Titus Wealth Management also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Our Name and Address:**

Titus Wealth Management  
700 Larkspur Landing Circle, Suite 109  
Larkspur, CA 94939

**Our Contact Information:**

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**Item 2 Material Changes**

**This item describes any material changes to our brochure we must tell you about.**

There are material changes to Item 4 since our last annual Firm Brochure, dated March 11, 2014, that was filed as a part of the annual updating of Form ADV at that time. We only refer to material changes here, not minor ones. If you have questions about any of the information, please contact us.

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#### **Item 4 Advisory Business**

**This item gives you information about our advisory business.**

We were started as a financial planning firm called Willis Financial Planning, Inc., in 1984 to provide objective non-proprietary advice to its clients.

Willis was in business as an investment advisor by September, 1990. The name was changed to Titus Wealth Management in March, 2008. Titus is currently certificated as an investment advisor by the California Department of Corporations.

**Investment Advice:** We will design and recommend an investment portfolio, as well as specific investment recommendations, and will assist in implementing such recommendations. We will also provide portfolio review meetings annually or as requested by you.

**Financial Planning Services:** We will develop, prepare, present and assist in the implementation of financial plans and financial planning advice in the areas of investments, life/disability/long term care insurance planning, retirement and/or estate planning. We will also provide ongoing financial planning reporting and analysis.

A conflict exists between our interests and your interests. You are under no obligation to act upon our recommendation. If you decide to act on any of our recommendations, you are under no obligation to execute any transactions through us or through any particular broker.

We give advice concerning the following types of investments (in general):

Stocks and bonds listed on an exchange or traded over-the counter, municipal bonds, certificates of deposit, variable life insurance and variable annuities, US Government securities, mutual funds and limited partnerships investing in, but not limited to, real estate, oil and gas interests, equipment leasing, alternative energy, agriculture, movies, research and development, and mortgages

As of 10/7/14 we were managing the assets of 363 discretionary client accounts in the amount of \$108,956,518. We do not manage any non discretionary assets.

#### **Item 5 Fees and Compensation**

**This item gives you information about the fees or other compensation we may receive from you or from others in connection with or as a result of giving you investment advice.**

**Investment Advice:** We will be compensated for investment advice through the payment of management fees and/or the receipt of commissions by our investment advisory representatives pursuant to your purchase of financial products.

A conflict of interest may be created because there could be an incentive to recommend securities trades or insurance purchases based on other compensation rather than your needs. We always disclose such conflicts to you and Eric Aanes, our Chief Compliance Officer, reviews all advice made by our advisory representatives.

**Investment Advisory Services:** The maximum Management Fee charged by us is 3.00% of gross assets under management (valued at fair market value). The fair market value of assets in a client's account under management will be determined on the last business day of each client's quarterly billing cycle. During the month following quarterly billing period end for billing purposes the Management Fee for services rendered during the past quarterly period or the next quarterly period, depending on the your particular contract, will be calculated and billed. You may pay advisory fees directly to us or you may authorize the custodian holding your assets to withdraw our fees from your account, in accordance with the statements prepared and submitted to the custodian by us. It is your responsibility to verify the accuracy of the fee calculation; the custodian will not determine whether the fee is properly calculated. We reserve the right to reduce the management fee but not to exceed the stated maximum fee. We may charge fees either in advance or in arrears, depending on your prior concurrence and acceptance. For accounts billed in arrears advisor will pro-rate fees from date of first deposit

**Financial Planning Services:** We will be compensated for financial planning services (i) by an hourly fee of \$150 to \$300, (ii) by a negotiated fixed fee not to exceed \$25,000, or (iii) if you have elected to pay a management fee, and/or (iii) by the receipt of the normal and customary commissions which may be received pursuant to the your purchase of financial products by our advisory persons who are associated with a broker-dealer. We may charge fees either in advance or in arrears, depending on your prior concurrence and acceptance.

**Termination of Agreement/Refunds:** You will have the option to terminate the Investment Management Agreement ("Agreement") without penalty within five (5) business days after the date of execution of the Agreement.

Either we or you may thereafter terminate the Agreement by giving the other party written notice at any time. In such event, the Management Fee will be prorated to the date of termination. Any prepaid advisory fees will be refunded on a prorated basis if Agreement is terminated prior to the end of a quarter. The Agreement will terminate immediately upon your death if you (the client) are a natural person. We will waive pro-rated management fees for accounts terminated during the quarter for accounts billed in arrears. Titus will refund any fees charged in advance on a pro-rated basis.

We do not have any dollar minimums or other requirements for accepting investment advisory accounts.

You do not have to use our advice, the broker-dealer with whom our advisory persons associated or the brokers, insurance companies or custodians we suggest but may use other brokers to purchase or sell products.

You may pay additional fees to others in connection with your investments, such as 12b-1 and other mutual fund expenses, brokerage and other transaction costs to the executing broker, custodial fees to the custodian(s) of your assets.

Please also see Item 12 for additional information on how we select broker-dealers.

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

**This item discusses whether we charge any Performance-Based Fees and, if we do, the procedures we have set up to protect you.**

We do not charge Performance-Based Fees.

## **Item 7 Types of Clients**

**This item tells you about the types of clients to whom we give investment advice.**

We provides investment advice to individuals (including high net worth individuals), pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

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

**This item discusses the way we analyze securities investments, the investment strategies we use in suggesting investments for you and the risk of loss you may incur in making investments.**

We may use fundamental, cyclical or technical analysis in evaluating your accounts. One of the reasons that we utilize more than one type of analysis is to reduce risks induced by utilizing only one type of analysis (see discussion of risk below).

The primary investment strategy we use for client accounts is a strategic asset allocation. We also do have a tactical high yield program in which we go in and out of high yield mutual funds or exchange traded funds. The majority of our accounts utilize a combination of exchange traded funds and mutual funds. Portfolios are generally globally diverse to control the risk associated with traditional markets.

We may recommend either Long Term Purchases, (securities held at least a year) or Short Term Purchases (securities sold within a year), as investments for you.

There is always a risk of loss connected with investing. This is true whether you are investing in securities or in other types of investments. You, as the investor, should be prepared to accept this risk. One way to lessen it is to diversify your investments so that when one goes down another may rise. Part of our job as your advisor is to help you understand this risk exposure and to suggest ways for you to minimize this risk.

Below is a discussion of some of the types of risk that you may encounter in securities investing:

### **Economic risk**

The state of the nation's or the world's economy may change drastically and that may well affect your investments.

### **Market risk.**

In making an investment you are usually betting that the market will behave in a way that will be to your advantage. That does not often hold true over a long period of time and it sometimes does not even hold true over a short period either.

### **Credit risk**

The issuer of a security in which you invest, either directly or through a mutual fund, may default (may be unable to pay the principal or to make interest payments, or otherwise fulfill its obligations to investors) or in some cases may even decide to stop or reduce dividends.

### **Interest rate risk.**

If you are investing to realize a certain amount of income and that income stream is dependent on the investment paying a certain interest, changing conditions may affect that interest rate and your income from that investment.

### **Liquidity risk.**

If an investment has gained value since you bought it but you can't find a buyer for it when you want to sell it, it is illiquid at that point and therefore you are unable to sell it.

### **Foreign exchange risk.**

If you invest in a foreign security, it may go up in value but, when you sell it and attempt to turn your cash from selling it you may find that a change in the rate for exchanging foreign funds into US dollars wipes out some or all of your profit.

### **Management risk**

If you are investing in mutual fund shares and the particular mutual fund is an "actively managed fund" then there is no guarantee that the investment manager's decisions regarding investment techniques, risk analysis and other matters will produce the desired results that you are seeking.

Every type of investment analysis has its drawbacks and risks (see discussion of risk above). So does each type of investment strategy. Many of the risk factors discussed above apply to the various types of analysis and strategy.

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

**This item discusses any disciplinary events that have involved this firm.**

There are no reportable disciplinary events involving this firm.

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

**This item discusses any other financial industry activities and associations of us or of our executive officers.**

Our only business is giving investment advice.

Our principal and other advisory personnel are employed as registered representatives with LPL Financial Corporation ("LPL"). In such capacity they may spend up to 35% of their time offering brokerage and insurance products and receive normal and customary commissions as a result of these securities and insurance purchases. They may spend up to 65% of their time on investment advisory activities. This presents a conflict of interest to the extent that they may recommend that you invest in a security or purchase insurance in which they receive the resulting commission.

When we make a recommendation for you we disclose to you that our advisory personnel are also registered representatives with LPL Securities, and you are not required to follow our recommendations or to use LPL Securities or any particular broker or registered representative.

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

**This item refers to our Code of Ethics and how you may obtain a copy.**

We have a Code of Ethics based upon the principle that we, and our employees owe a fiduciary duty to you, our clients, to conduct our/their affairs, including their personal securities transactions, so as to avoid serving our/their own personal interests ahead of yours, taking inappropriate advantage of our/their position with the firm, any actual or potential conflicts of interest or any abuse of our/their position of trust and responsibility. The Code prohibits both us and our employees from engaging in fraudulent, deceptive or manipulative conduct. In addition, our advisory persons must: have a reasonable, independent basis for the investment advice provided, obtain best execution for your transactions where we can direct brokerage transactions for you, ensure that investment advice is suitable to meeting your individual objectives, needs and circumstances; be loyal to you, our clients.

A copy of the Code of Ethics will be provided to any client or prospective client upon request.

Our advisory persons may also recommend that you buy or sell securities or investment products which we or our advisory persons also own. We may buy or sell for ourselves securities that we or the advisory persons have recommended to you. In all cases, we will tell you about these possible conflicts when we are working with you and will not act in any manner that would harm you.

## **Item 12 Brokerage Practices**

**This item discusses the way we handle brokerage activities for you and our other clients.**

Titus Wealth Management has selected LPL financial as their custodial broker. Recommendations are made to clients based on their need for such service. Titus Wealth Management has negotiated pricing for their clients that is competitive and uniform, meaning everyone receives the same pricing. Currently, Titus Wealth Management pays all trading costs for the majority of clients.

Titus wealth management has no soft dollar arrangements.

Our principal and our other advisory representatives may suggest that you implement recommendations through their concurrent employing broker-dealer. We will make you aware, prior to engagement, that you are under no obligation to do so and you may be able to receive these services from another vendor for less

We or any of our employees may own or transact securities trades which may coincide with a recommendation to you. Generally speaking, any publicly traded securities positions held by us or our employees would be considered inconsequential when compared to the number of shares outstanding. Regardless of the circumstances, in every situation, your needs are considered first and the securities recommended are widely held and publicly traded. Any situations that may be reasonably expected to be conflicts of interest will be fully disclosed to you.

In addition, our principal and another advisory representative are connected with an independent licensed insurance agency. In such a capacity, they may offer insurance and annuities and receive normal and customary commissions as a result of such a purchase. This presents a conflict of interest if they recommend the purchase of an insurance or annuity product in which they receive the resulting commission. We will tell you this if we recommend an insurance product, and you have the option to purchase insurance from another vendor if you wish.

However, as all advisory representatives are under separate employment with a broker-dealer to offer securities, every client receives full disclosure, prior to engagement that they are under no obligation to implement any recommendations through the firm in which representatives are concurrently employed.

## **Item 13 Review of Accounts**

**This item describes how we review your accounts and any reports you may receive.**

We review your accounts whenever deemed necessary by us or by you (but at least annually), due to changes requiring a review, or when either of us feels other investments justify a review. The work will be done by Eric Aanes or Clark Miller, who are responsible for the reviews, during and after consultation with you. Additional review may be requested at anytime by you, or suggested by us if one of feels conditions so dictate. The review will cover as much area as you and we feel indicated under the circumstances, but should normally include the following items: tax and estate planning, investments, possibly real estate, suitability and risk assessments, etc. (See also Item 9 regarding various types of risks.)

We may furnish various types of reports to you from time to time. You should compare the account statements you receive from your account custodian(s) with those account statements you receive from us. It is not the responsibility of the custodian(s) to do this for you. Titus wealth management does send detailed reports generated from a third party in addition to the reports from the custodian.

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

**This item discusses any compensation we may receive for referring you to other investment advisers or any other compensation we may receive from persons other than yourself for giving you investment advice.**

We do not presently have any arrangements to refer clients to other investment advisers.

We do not presently compensate anyone for referrals of clients to us.

#### **Item 15 Custody**

**This item reveals any types of custody we may have or may accept in the future.**

We do not accept custody of any of your assets.

We may withdraw funds advisory fees directly from your accounts. (See Item 5, Fees and compensation). In such a situation we send a copy of our invoice to the custodian or trustee maintaining your account(s) at the same time that we send a copy to you. That custodian will send quarterly statements to you showing all disbursements for the your account, including the amount of the advisory fees. We will not withdraw such fees unless you have previously provided written authorization permitting us to be paid directly for your accounts held by the custodian or trustee.

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

**This item discusses any types of investment discretion we may have or may accept to make securities trades for you.**

We may accept a limited power of attorney from you giving us discretion to decide which securities or the amount of such securities that are to be bought or sold for you, subject to limitations specified by you. For such trades we will direct the execution of the trades unless the limited power of attorney expressly designates some other arrangement.

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

**This item discusses our policy regarding voting proxies or other matters concerning your securities.**

We do not vote client securities or proxies.

Usually the transfer agent of the company issuing the security will send proxy materials or other solicitations directly to you. In some cases, they will send those materials to your custodial broker. If you do not receive these materials directly and wish to do so, you can contact the issuer's investor services department or the custodial broker to request that information. If you need help in obtaining these materials or have any questions, please contact us and we will be happy to assist you in obtaining those materials or answers to those question

#### **Item 18 Financial Information**

**This item shows any financial information we must provide to you.**

There are no factors that require us to provide any financial information under this item.

We have not filed bankruptcy at any time in the past.



#### **Item 19 Requirements for State-Registered Advisers**

**This item discusses any types of disciplinary problems that involve us or our employees, and certain other information required by state securities authorities.**

There are no disciplinary items concerning us or our personnel.

Eric Aanes is our president. He also is employed as a registered representative with LPL Financial Corporation. In such capacity he may spend up to 35% of his time offering brokerage and insurance products and receive normal and customary commissions as a result of these securities and insurance purchases. He may spend up to 65% of his time on investment advisory activities.

Please also see Form ADV, Part 2B for other information about each of our advisory representatives.