

# ADV Part 2A, Firm Brochure

Item 1 Cover Page

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## SIGMA WEALTH MANAGEMENT

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Brochure Date: October 22, 2019

This Brochure provides information about the qualifications and business practices of Sigma Wealth Management, Inc. If you have any questions about the contents of this Brochure, please contact us at [info@sgmwealth.com](mailto:info@sgmwealth.com) and/or 713-482-7785. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities regulatory authority.

Registration of an investment adviser does not imply any certain level of skill or training.

Additional information Sigma Wealth Management, Inc. also is available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 Material Changes

This section will be updated annually and will address specific material changes that have been incorporated since our last delivery of posting of our Brochure and provide clients with a summary of such changes. A copy of our most current Brochure is always available by contacting us at 713-482-7785 or emailing us at [info@sgmwealth.com](mailto:info@sgmwealth.com).

There are no material changes to report.

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## Item 4 Advisory Business

### Description of Advisory Firm

Sigma Wealth Management, Inc. (SWM) is an investment advisory firm established as a corporation in the State of Texas in September 2019. The principal owner & president is Salam Aburas, who is also a representative of SWM.

### Description of Advisory Services

Prior to offering any services, the Client undergoes an introductory interview to outline their financial situation and to help SWM set risk tolerance and investment objectives. This is called the development of the client Investment Policy Statement (IPS). This may cover their current financial situation, investment goals, and investment constraints. Based on the interview and IPS, SWM may offer one or more of its advisory services:

### Financial Planning

SWM offers financial planning services, which involve preparing a written financial plan covering specific or multiple topics. SWM reviews Client's unique situation and assesses which financial planning and/or analysis is needed. SWM then provides fully written financial plans that address the following topics:

- General Financial Planning
- Estate Planning
- Portfolio Review
- Asset Allocation
- Retirement Planning
- Tax Planning
- Insurance Planning
- Education Planning

SWM offers these financial services to all clients and prospects. A fee is assessed for any financial service and may be waived at the discretion of SWM. Clients are under no obligation to act on recommendations from SWM. Furthermore, if the Client elects to act on any of the recommendations from SWM, the Client is under no obligation to effect any transactions through SWM or through any particular broker-dealer.

### **Financial Consulting**

SWM also offers consultations in order to discuss financial planning issues when a written financial plan is not needed. SWM offers one-time and as-needed consultations which cover mutually agreed upon areas of concern related to investments and financial planning. Client is responsible for identifying those particular issues that they are seeking advice or consultation on.

### **Investment Advisory Services**

SWM offers Investment Advisory Services, providing clients with ongoing management over client accounts. Before engaging SWM to provide Investment Advisory Services, the Client is required to enter into an Investment Advisory Agreement with SWM setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, and the fee that is due from the Client. If not already, SWM then interviews the Client and creates an IPS to determine the Client's individual needs, investment objectives, and risk tolerance. SWM will tailor its Investment Advisory Services to the Client's particular need by making investment recommendations consistent with the designated goals and objectives from the IPS and identifying a mix of investments for a diversified portfolio. Clients may select a different risk tolerance level at any time, should their specific circumstances change. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent SWM from properly servicing the Client's account, or if the restrictions would require SWM to deviate from its standard suite of services, SWM reserves the right to end the relationship.

Investment Advisory Services also include periodic monitoring and review of portfolio assets by SWM. Reviews are performed by the Investment Advisor Representative (Advisor) at times they deem appropriate to determine if investment options in the portfolio continue to match the Client's goals and investment objectives. If changes to the mix of investments are recommended, SWM will complete the changes according to the trading authority as granted by the Investment Advisory.

Clients should also note that while Investment Advisory Services are provided with the intention of clients implementing services through SWM or through its Advisors, clients are not required to do so. Clients have the option to purchase investment products that SWM recommends through other brokers or agents not affiliated with SWM.

SWM does not participate in any wrap fee programs

## **Item 5 Fees and Compensation**

### **Investment Advisory Fees**

Investment Advisory fees are generally determined as a percentage of assets under management. Fees are calculated and payable quarterly. Account values for fee calculation purposes are determined on the last business day of the prior calendar quarter. The compensation rate is based on the following fee schedule:

<b><u>Account Balance</u></b>	<b><u>Annual Fee</u></b>	<b><u>Quarterly Fee</u></b>
\$0 to \$999,999	0.75%	0.1875.%
Over \$1,000,000	0.50%	0.125%

SWM's investment advisory fees are negotiable based upon Client's unique circumstances. Fees paid to SWM for its services may vary from client to client for similar services. SWM believes its fees are reasonable in relation to the services provided, and the fees charged by other investment advisers offering similar services and programs. SWM's annual advisory fee may be higher or lower than that charged by other investment advisers offering similar services and programs.

By default, SWM directly debits the advisory fee from the Client's account. Clients must provide written authorization to have fees deducted directly from the account and paid to SWM in the Investment Advisory Agreement. The Custodian will deduct the fee and send statements, at least quarterly, showing all activity for the account including the amount of advisor fees deducted. SWM will send fee notifications quarterly, including the market value, fee percentage, and the calculation of the fee.

SWM's fees are exclusive of brokerage commissions, transaction fees, mutual fund expenses, and other related third-party costs and expenses that may be incurred by the Client. Clients may incur certain charges imposed by the Custodian, brokers, third-party managers and other third parties such as fees for investment managers, custodial fees, 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. Mutual funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of, and in addition to, SWM's fee, and SWM shall not receive any portion of these commissions, fees, and costs.

### **Financial Planning and Consulting Fees**

SWM may offer to provide financial consultations, financial planning services, administrative services, or consulting services based on time spent at standard billing rates, which range from \$250 to \$500 per hour, plus expenses. These consultations can include financial planning, estate planning, investment allocation review, income tax analysis, and account setup.

SWM also provides financial consultations and other financial planning services that may be charged at a fixed amount negotiated in advance. These fixed fees begin at \$1,000, and are based on projected time required for completion at the standard billing rate. An initial deposit of 50% of the estimated total fee would need to be made upon signing of a Financial Planning Agreement, and the other half upon completion of the project. If the Client terminates the Financial Planning Agreement before the consultation is completed, SWM will issue a prorated refund, deducting fees for time and expenses already incurred. Upon completion of the consultation and/or presentation of written advice to the Client the fee would no longer be refundable. All financial planning or financial consulting fees are payable by check or electronic transfer of funds.

### **Miscellaneous Costs**

In addition to the advisory fees listed above, Client is responsible for paying fees associated with investing in the account.

These fees may include one or more of the following:

- Mutual fund loads (if applicable). These charges are paid to brokers as a form of commission.
- Internal management fees for ETFs and mutual funds. These are fees charged by the managers of the ETF or mutual fund and are a portion of the expenses of the ETF or mutual fund.
- Brokerage costs and transaction fees for any securities or fixed income trades. These are generally charge by the Custodian and/or executing broker

### **Termination**

Clients may terminate Investment Advisory Services obtained from SWM, without penalty, upon written notice within five (5) business days after entering into the applicable client agreement with SWM. The Client will, however, be responsible for any fees and charges incurred from third parties as a result of maintaining the account, such as transaction fees for any securities transactions executed and account maintenance or custodial fees.

Thereafter, SWM or the Client may terminate Investment Advisory Services with written notice to the other party. If investment services are terminated during a quarter, the Client will be charged a pro-rated advisory fee for the quarter up to the date the assets

are transferred out, or as otherwise decided between SWM or the Advisory Representative and the Client.

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

SWM does not charge performance-based fees for its investment advisory services. The fees SWM charges are as described in “Item 5 – Fees and Compensation” above and are not based upon the capital appreciation of the funds or securities.

SWM does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its clients.

#### **Item 7 Types of Clients**

SWM generally provides investment advice to individuals and high net-worth individuals. SWM remains open to providing investment advice to charitable organizations, corporations, foundations, and pension & profit-sharing plans.

SWM recommends a minimum account size of \$200,000 for establishing a relationship. The minimum may be lowered on a case-by-case basis at SWM’s discretion.

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

##### **Methods of Analysis**

SWM uses fundamental analysis, technical analysis, and/or cyclical analysis when analyzing securities in client accounts. SWM utilizes more than one type of analysis in order to reduce risks induced by utilizing only one type of analysis.

**Fundamental analysis** is a method of measuring a security's intrinsic value by examining related economic and financial factors. The end goal is to arrive at a number that an investor can compare with a security's current price in order to see whether the security is undervalued or overvalued.

**Technical analysis** is a method of evaluating securities by analyzing the statistics generated by market activity, such as past prices and volume. Technical analysis does not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity.

**Cyclical analysis** is a method of evaluating securities by analyzing the macroeconomic and systematic changes in the overall economy. Cyclical securities are known for following the cycles of an economy through expansion, peak, recession, and recovery.

##### **Investment Strategies**

SWM generally employs a long-term investment strategy that is consistent with the financial goals of its clients. Long-term strategies include Long-term purchases where securities are held for at least a year. SWM may also engage in other investment strategies when managing client assets. They include:

Short-Term purchases - but may hold for shorter periods due to portfolio balancing or liquidity needs of the Client.

Short-sales - A short sale is generally the sale of a stock not owned by the investor. Investors who sell short believe the price of the stock will fall. If the price drops, the investor can buy the stock at the lower price and make a profit. If the price of the stock rises and the investor buys it back later at the higher price, the investor will incur a loss. Short sales require a margin account.

Margin transactions - When an investor buys a stock on margin, the investor pays for part of the purchase and borrows the rest of the purchase price from a brokerage firm. For example, an investor may buy \$10,000 worth of stock in a margin account by paying for \$5,000 and borrowing \$5,000 from a brokerage firm.

## **Risk of Loss**

All investments have different types and degrees of risk, and investing in securities involves risk of loss that clients should be prepared to bear. An investment could lose money over short or long periods. The Client should expect their account values to fluctuate, similar to the fluctuations of the overall stock and bond markets. While SWM uses investment strategies that are designed to reduce risk through diversification and rebalancing, some investments have significantly greater risks than others. Obtaining higher rates of return on investments entails accepting a higher level of risk. SWM's investment strategies seek to balance risk and reward to achieve the Client's investment objectives. SWM does not guarantee or claim that its services, investment strategies or methods of analysis can predict future results, identify market tops/bottoms, or protect the Client from losses due to market corrections or declines.

Some of the risks a client can encounter when investing include the following:

- **Market Risk** – is the risk that the value of an investment will decrease due to changes in market factors. Market risk is sometimes called “systematic risk” because it relates to factors, such as a recession, that impact the entire market.
- **Credit Risk** – is the risk that an issuer of a security may default or reduce payment on its principal/interest (for bonds) or stop or reduce dividends (for stocks). If the issuer of security falls out of favor or has a credit rating cut, the price could fall. If issuer declares bankruptcy, then Client could lose its entire investment in that security.
- **Interest Rate Risk** – is the risk that the value of a security, especially bonds or other fixed-income investments, will suffer as the result of a change in interest rates.
- **Inflation Risk** – also called purchasing power risk, is the chance that the cash flows from an investment won't be worth as much in the future because of changes in purchasing power due to inflation.
- **Liquidity Risk** – is the risk that the Client may have to sell a security (stock or bond) below its listed value.

## **Item 9 Disciplinary Information**

In 2001, the National Association of Securities Dealers (NASD) suspended Salam Aburas for 10 days and was fined due to purchasing shares of a common stock for a customer account without their consent. The incident with the customer occurred in 1998 when Salam Aburas at that time was a Series 7 registered representative (stockbroker).

In 2002, the NASD revoked Salam Aburas's membership due to nonpayment of fine.

More details are available on the website <http://brokercheck.finra.org> and using Salam Aburas's CRD # 2969004.

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

As a registered investment advisor, SWM is required to disclose when SWM, or any of its principals, have any other financial industry affiliations. The sole business of SWM is to provide investment advisory services to its Clients. Salam Aburas, in his personal capacity, will continue to do financial technology consulting work for his other company that he is an owner of, eProtokol, on a part-time basis. SWM does not maintain any affiliations with other firms, other than contracted service providers to assist with the servicing of its Client's accounts.

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

### **Code of Ethics**

SWM has adopted a Code of Ethics for the purpose of instructing its personnel in their ethical obligations and to provide rules for their personal securities transactions. SWM and its personnel owe a duty of loyalty, fairness and good faith towards their clients. It is the obligation of SWM associates to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code of Ethics covers a range of topics include: general ethical principles, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code of Ethics, review and enforcement processes, amendments to Form ADV and supervisory procedures.

SWM and its personnel will not attempt to defraud, make any untrue statement of a material fact, omit to state a material fact necessary in order to make a statement true, engage in any fraudulent or deceitful act, or engage in any manipulative practices. SWM will disclose potential and actual conflicts of interest to clients. SWM shall only recommend those financial strategies and products that it believes are in the best interest of its clients.

SWM will provide a copy of the Code of Ethics to any client or prospective client upon request.

### **Participation or Interest in Client Transactions**

SWM and its personnel may buy or sell securities identical to those recommended to clients for their personal accounts. In addition, any related persons may have an interest or position in a certain security, which may also be recommended to a client. Under the SWM's Code of Ethics, the Advisor and its managers, members, officers and employees may invest personally in securities of the same classes as are purchased for clients and may own securities of the issuers whose securities are subsequently purchased for clients. If an issue is purchased or sold for clients and any of the Advisor, managers, members, officers and employees on the same day purchase or sell the same security, either the clients and the Advisor, managers, members, officers or employees shall receive or pay the same price or the clients shall receive a more favorable price. The Advisor and its managers, members, officers and employee may also buy or sell specific securities for their own accounts based on personal investment considerations, which SWM does not deem appropriate to buy or sell for clients.

### **Personal Trading**

The Chief Compliance Officer will be responsible for supervising the activities of all of SWM's personnel by establishing procedures to prevent and detect violations of the law, analyzing SWM's operations and controls to ensure compliance with securities laws, ensuring that all of SWM's advisory personnel fully understand SWM's policies and procedures, establishing policies and procedures governing personal security transactions, and establishing an annual review system to assure that SWM's policies and procedures are effective and are being followed.

The Chief Compliance Officer also reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets and that clients of SWM receive preferential treatment.

## **Item 12 Brokerage Practices**

### **Recommendation of Custodians**

SWM generally recommends that the Client select Interactive Brokers as Custodian. Interactive Brokers is a member of FINRA and SIPC and is a registered broker-dealer. Interactive Brokers maintains custody of the Clients' assets and effects trades in client accounts. Before SWM approves the Custodian for recommendation to the Client, SWM will review the Custodian's operational, financial, and regulatory status as well as their technology offerings, research capabilities, and execution capabilities, amount other factors. Even though SWM recommends a specific custodian, the Client should evaluate firms to ensure that the Custodian selected will provide the best blend of service and cost. Transaction charges, commissions, and fees may be higher or lower that the Client would pay at other firms. SWM has negotiated arrangements with its approved custodians and trading platforms to provide pricing and services that it believes are competitive with firms offering similar services. SWM is independently owned and operated and not affiliated with any recommended custodian.

Before engaging SWM to provide Investment Advisory Services, the Client is required to enter into a formal Investment Advisory Agreement with SWM setting forth the terms and conditions under which SWM shall manage the Client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that SWM considers in recommending Interactive Brokers (or any other broker-dealer/custodian to clients) include historical relationship with SWM, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by SWM's clients shall comply with SWM's duty to obtain best execution, the Client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where SWM determines, in good faith, that the commission/transaction fee is reasonable. 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 the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although SWM will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are in addition to SWM's investment advisory fee. SWM's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

The following are additional details regarding the brokerage practices of SWM:

**Soft Dollars** – Soft dollars are revenue programs offered by broker-dealers/custodians whereby an advisor enters into an agreement to place security trades with the broker-dealer/custodian in exchange for research and other services. SWM does not participate in soft dollar programs sponsored or offered by any broker-dealer/custodian. However, the Advisor does receive certain economic benefits from the Custodian. Please see Item 14 below.

**Brokerage Referrals** – SWM does not receive any compensation from any third party in connection with the recommendation for establishing an account.

**Directed Brokerage** – SWM does not generally accept directed brokerage arrangements (when the Client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the Client will negotiate terms and arrangements for their account with that broker-dealer, and SWM will not seek better execution services or prices from other broker-dealers or be able to "batch" the Client's transactions for execution through other broker-dealers with orders for other accounts managed by SWM. As a result, the Client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

In the event that the Client directs SWM to effect securities transactions for the Client's accounts through a specific broker-dealer, the Client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the Client determined to effect account transactions through alternative clearing arrangements that may be available through SWM. Higher transaction costs adversely impact account performance.

#### **Aggregating and Allocating Trades**

SWM does not aggregate trades for client accounts. Each client account is traded individually, based on the needs of the client. This practice could give us an incentive to allocate trades to larger accounts. SWM acknowledges its fiduciary duty to treat all clients fairly and strives to fairly allocate trade opportunities for all accounts.

#### **Interactive Brokers**

SWM has an arrangement with Interactive Brokers through which Interactive Brokers provides SWM with "institutional platform services." The institutional platform services include, among others, brokerage, custody, and other related services. Interactive Broker's institutional platform services that assist SWM in administering clients' accounts include software and other technology that provide access to the Client's account data (such as trade confirmations and account statements), facilitate trade execution and allocate aggregated trade orders for multiple client accounts; provide research, pricing and other market data; facilitate payment of fees from its clients' accounts; and assist with back-office functions, recordkeeping and client reporting. These may also be a benefit to SWM, which may otherwise have to pay for such items at its own expense.

Interactive Brokers also offers other services intended to help SWM manage and further develop its advisory practice. Such services include, but are not limited to third party research, publications, access to educational conferences, roundtables and webinars,



practice management resources, access to consultants and other third party service providers who provide a wide array of business related services and technology with whom SWM may contract directly.

Interactive Brokers generally does not charge its advisor clients separately for custody services, but is compensated by account holders through transaction-related or asset-based fees for securities trades that are executed through Interactive Brokers or that settle into Interactive Brokers' accounts (i.e., transactions fees for certain securities). Interactive Brokers provides access to many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. However, the transaction fees charged by Interactive Brokers may be higher or lower than those charged by other custodians and broker-dealers.

## **Item 13 Review of Accounts**

### **A. Frequency of Reviews**

Securities are monitored on a regular and continuous basis by the principal owners of SWM. Formal reviews are generally conducted at least annually or more frequently depending on the needs of the Client.

### **B. Causes for Reviews**

In addition to the investment monitoring noted in Item 13.A, each Client account shall be reviewed at least annually. Reviews may be conducted more frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account(s). The Client is encouraged to notify SWM if changes occur in the Client's personal financial situation that might adversely affect the Client's investment plan. Additional reviews may be triggered by material market, economic or political events.

### **C. Client Reports and Statements**

Clients may receive confirmations of purchases and sales in their accounts and will receive account statements at least quarterly. The account statements will contain account information such as account value, transactions, and other account information. The Client may also establish electronic access to the Custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account(s). Confirmations and statements are prepared and delivered directly from the Custodian. SWM may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

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

SWM does not have any arrangements to refer clients to other investment advisers or other service providers.

SWM does not compensate anyone for referrals of clients to us.

SWM receives an economic benefit from Interactive Brokers in the form of support products and services it makes available to SWM and to other independent investment advisors whose clients maintain their accounts at Interactive Brokers. These products and services, how they benefit SWM and the related conflicts of interest are described above (see "Item 12: Brokerage Practices"). The availability to SWM of Interactive Brokers' products and services is not based on SWM giving particular investment advice, such as buying particular securities for clients of SWM.

## **Item 15 Custody**

If the Client gives SWM authority to deduct fees directly from their separately managed account, then SWM is considered to have custody of those assets. In order to avoid additional regulatory requirements in these cases, SWM follows the procedures outlined in "Item 5: Fees and Compensation." Clients will also receive quarterly statements directly from Custodian of the account that details all transactions in the account. They will be sent to the email or postal mailing address provided to the Custodian. Clients should carefully review those statements promptly when they receive them.

SWM does not accept physical custody of Client assets.

## **Item 16 Investment Discretion**

SWM generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by SWM. Discretionary authority will only be authorized upon full disclosure to the Client. SWM's discretionary authority will be granted by the Client in the Investment Advisory Agreement containing all applicable limitations to such authority. All discretionary trades made by SWM will be in accordance with each Client's investment objectives and goals. When discretionary trading authority is granted, SWM will have the authority to provide the Client with advice regarding buying, selling, reinvesting, exchanging, or holding securities, cash, or other investments in account(s).

If the Client decides to grant trading authorization on a non-discretionary basis, the Advisor is required to contact the Client prior to implementing changes in the Client's account. Therefore, the Client will be contacted and required to accept or reject SWM's investment recommendations including the security being recommended, the number of shares or units, and whether to buy or sell.

Once the above factors are agreed upon, SWM will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If the Client's accounts are managed on a non-discretionary basis, the Client needs to know that if they are not able to be reached or are slow to respond to the Advisor, it can have an adverse impact on the timing of trade implementations and the Advisor may not achieve the optimal trading price.

## **Item 17 Voting Client Securities**

SWM does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, Client retains sole responsibility for proxy decisions and voting.

## **Item 18 Financial Information**

SWM does not require or solicit prepayments of more than \$500 in fees per client, six months or more in advance. SWM is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts. SWM has not been the subject of a bankruptcy petition.

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

### **Principal Executive Officers and Management Persons**

Advisors of SWM that are involved in determining or giving investment advice to Clients must meet all examination or experience requirements of the state(s) and/or jurisdictions(s) in which the individual provides advisory services. SWM is registered to provide services in the State of Texas. SWM currently has only one management person and executive officer; Salam Aburas. Salam Aburas's education and business background can be found on the Supplemental ADV Part 2B form.

### **Material Disciplinary Disclosures**

As stated in Item 9 – Disciplinary Information, Salam Aburas was fined by the NASD for making a financial transaction without a client's consent in 1998 when he was a registered representative. Salam Aburas's NASD membership was revoked in 2002 due to nonpayment of fine.

### **Material Relationships Management Persons Have With Issuers of Securities**

Neither SWM, nor its management persons, has any relationship or arrangement with issuers of securities.

### **Other Business Activities**

Sigma Wealth Management is not actively engaged in any business other than giving investment advice.

Salam Aburas (SWM's President & Managing Member), in a personal capacity (i.e. not on behalf of SWM) is a Managing Member and 100% owner of eProtokol, Inc., a financial technology consulting firm. In this capacity, Salam Aburas is pursuing opportunities that do not conflict with the activities of SWM's clients.

Salam Aburas

Sigma Wealth Management, Inc.

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October 22, 2019

This Form ADV 2B Brochure Supplement provides information about the background and qualifications of Salam Aburas (CRD# 2969004) that supplements the information contained in the Sigma Wealth Management, Inc. (CRD# 306133) Disclosure Brochure. You should have received a copy of the Disclosure Brochure. Please contact Salam Aburas, President at (713) 482-7785 or [salam.aburas@sgmwealth.com](mailto:salam.aburas@sgmwealth.com) if you did not receive the Sigma Wealth Management, Inc.'s Disclosure Brochure or if you have any questions about the content of this supplement.

Additional information about Salam Aburas is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). His CRD number is 2969004.

## Item 2 Educational Background and Business Experience

Salam Aburas was born in 1977. He started his career in investment management and research at Mills Financial Services in Chicago, IL as a registered representative. He has held the Series 7 and Series 63 licenses during his career as a registered representative. He is a member of the CFA Institute and GARP (Global Association of Risk Professionals) and currently holds the CFA and FRM designations.

### Educational Background

Years	School / Organization	Degree / Certificate
1994 - 1997	Loyola University Chicago, IL	Mathematics BS Degree
1996 - 1997	Loyola University Chicago, IL	Mathematics MS Degree
2013 - 2015	Global Association of Risk Professionals	Financial Risk Manager (FRM) Certificate
2016 -2019	CFA Institute	Chartered Financial Analyst (CFA) Certificate

### Employment Background

Years	Organization	Position
2016 - Present	eProtokol Houston, TX	Owner, Financial Technology Consultant
2011 - 2015	Bank of America Charlotte, NC	Financial Risk Modeler
2001 - 2010	Global Properties Chicago, IL	Quantitative Programmer
1999 - 2000	DeVry Institute Chicago, IL	Computer Programming Professor
1999 - 1999	American Fronteer Chicago, IL	Registered Representative
1997 - 1999	College of DuPage Glen Ellyn, IL	Mathematics Professor
1997 - 1999	Mills Financial Services Chicago, IL	Registered Representative

### Professional Designations

#### **Chartered Financial Analyst (CFA) - 2019**

The CFA designation is designed to demonstrate a strong foundation in advanced investment analysis and portfolio management, accompanied with a strict emphasis in ethical practice. A CFA Charterholder is held to the highest ethical standards. In order to receive a CFA designation, the candidate must pass three rigorous, six-hour exams over several years, have 48 months of investment-related professional work experience, and join the CFA Institute by committing to the institute's Code of Ethics and Standards of Professional Conduct. The exams require an expert understanding of the following areas:

- Ethical and Professional Standards
- Quantitative Methods
- Economics

- Financial Reporting and Analysis
- Corporate Finance
- Equity Investments
- Fixed Income
- Derivatives
- Alternative Investments
- Portfolio Management
- Wealth Planning

### **Financial Risk Manager (FRM) – 2015**

The FRM designation is issued by the Global Association of Risk Professionals (GARP). In order to receive the FRM designation, the candidate must have two years of relevant work experience in financial risk management, pass a rigorous two-part examination covering topics that evaluate a candidate's knowledge of fundamental risk management concepts and their ability to apply quantitative tools and techniques in the assessment and management of market, credit and operational risk and investment management.

### **Item 3 Disciplinary Information**

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. As previously noted, Salam Aburas was fined by the NASD for making a financial transaction without a client's consent in 1998 when he was a registered representative. Salam Aburas's NASD membership was revoked in 2002 due to nonpayment of fine.

### **Item 4 Other Business Activities**

Salam Aburas will continue to do financial technology consulting work for his other company, eProtokol 50% of the time.

### **Item 5 Additional Compensation**

Salam Aburas has additional business activities that are detailed in "Item 4 Other Business Activities" in Part 2B above.

### **Item 6 Supervision**

Salam Aburas is the sole owner and responsible for the supervision of all investment advisory representatives. If you have any questions or concerns, please contact Salam Aburas, the Chief Compliance Officer, at 713-482-7785 or by email at [salam.aburas@sgmwealth.com](mailto:salam.aburas@sgmwealth.com).

## Item 7 Requirements for State-Registered Advisors

Investment advisors who are registered with a state regulatory agency rather than the SEC are required to provide information about a wider range of disciplinary information than that described above.

Salam Aburas has not been involved in any of the events below:

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

Salam Aburas was found liable in 2001 by a self-regulatory organization (NASD) involving an investment-related activity. Below are the details of the incident that can also be found at <http://brokercheck.finra.org> using Salam Aburas's CRD# 2969004.

*"NASD RULE 2110 - RESPONDENT PURCHASED OR CAUSED TO BE PURCHASED SHARES OF COMMON STOCK FOR THE ACCOUNT OF A PUBLIC CUSTOMER WITHOUT THE KNOWLEDGE OR CONSENT OF THE CUSTOMER AND IN THE ABSENCE OF WRITTEN OR ORAL AUTHORIZATION FROM THE CUSTOMER ALLOWING RESPONDENT ABURAS TO EXERCISE DISCRETION IN SAID ACCOUNT."*

Salam Aburas has never been subject to a bankruptcy petition at any time during the last 10 years.

## Privacy Policy

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Effective: October 22, 2019

### Our Commitment to You

Sigma Wealth Management, Inc. ("SWM" or the "Advisor") is committed to safeguarding the use of personal information of our Clients (also referred to as "you" and "your") that we obtain as your Investment Advisor, as described here in our Privacy Policy ("Policy").

Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything that we can to maintain that trust. SWM (also referred to as "we", "our" and "us") protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you.

SWM does not sell your non-public personal information to anyone. Nor do we provide such information to others except for discrete and reasonable business purposes in connection with the servicing and management of our relationship with you, as discussed below.

Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this Policy.

### Why you need to know?

Registered Investment Advisors ("RIAs") must share some of your personal information in the course of servicing your account. Federal and State laws give you the right to limit some of this sharing and require RIAs to disclose how we collect, share, and protect your personal information.

### What information do we collect from you?

Social security or taxpayer identification number	Assets and liabilities
Name, address and phone numbers	Income and expenses
E-mail addresses	Investment activity
Account information (including other institutions)	Investment experience and goals

### What Information do we collect from other sources?

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service account

### How do we protect your information?

To safeguard your personal information from unauthorized access and use we maintain physical, procedural and electronic security measures. These include such safeguards as secure passwords, encrypted file storage and a secure office environment. Our technology vendors provide security and access control over personal information and have policies over the transmission of data. Our associates are trained on their responsibilities to protect Client's personal information.

We require third parties that assist in providing our services to you to protect the personal information they receive from us.

## How do we share your information?

An RIA shares Client personal information to effectively implement its services. In the section below, we list some reasons why we may share your personal information.

Basis For Sharing	Do we share?	Can you limit?
<b>Servicing our Clients</b> We may share non-public personal information with non-affiliated third parties (such as administrators, brokers, custodians, regulators, credit agencies, other financial institutions) as necessary for us to provide agreed upon services to you, consistent with applicable law, including but not limited to: processing transactions; general account maintenance; responding to regulators or legal investigations; and credit reporting.	Yes	No
<b>Marketing Purposes</b> SWM does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where SWM or the client has a formal agreement with the financial institution. <b>We will only share information for purposes of servicing your accounts, not for marketing purposes.</b>	No	Not Shared
<b>Authorized Users</b> Your non-public personal information may be disclosed to you and persons that we believe to be your authorized agent(s) or representative(s).	Yes	Yes
<b>Information About Former Clients</b> SWM does not disclose and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our Clients.	No	Not Shared

## Changes to our Privacy Policy

We will send you a copy of this Policy annually for as long as you maintain an ongoing relationship with us. Periodically we may revise this Policy, and will provide you with a revised policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

## Any Questions?

You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting us at (713) 482-7785 or at [info@sgmwealth.com](mailto:info@sgmwealth.com).