

**Part 2A of Form ADV: Firm *Brochure***

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A Registered Investment Advisor

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FIRM BROCHURE  
Part 2A of ADV)

This brochure provides information about the qualifications and business practices of WRWCO, LLC. If you have any questions about the contents of this brochure, please contact us at: 713-681-9305, or by email at: [wrwco@wrwcollc.com](mailto:wrwco@wrwcollc.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 WRWCO, LLC also is available on the SEC's web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

Registration does not imply a certain level of skill or training.

JUNE 13, 2012

## MATERIAL CHANGES

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

## MATERIAL CHANGES SINCE THE LAST UPDATE

The Securities and Exchange Commission issued a final rule in July, 2010 requiring advisors to provide a Firm Brochure in narrative "plain English" format. The new final rule specifies mandatory sections and organization. As such, we have revised our ADV Part 2 form to reflect this new rule. This filing of our form ADV Part 2 represents the annual update to that form last filed in March, 2011.

## FULL BROCHURE AVAILABLE

If you wish to receive a complete copy of our Firm Brochure, please contact us by telephone at: 713-681-9305 or by email at: [wrwco@wrwcolle.com](mailto:wrwco@wrwcolle.com).

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## Advisory Business

### FIRM DESCRIPTION

WRWCO, LLC (hereinafter referred to as "The Firm") was founded in 2000. The Firm is privately owned, with the majority of ownership held by the Firm's President and chief investment officer, William R. Williams. Presently, The Firm has five full-time employees, and is federally registered with the SEC (Securities and Exchange Commission) as a Registered Investment Advisor.

The primary activity of The Firm is investment management. Clients place funds and/or existing investment assets in client-owned and client-controlled brokerage accounts held with external, independent custodian broker/dealer firms and grant The Firm certain authority for the day-to-day management of the accounts and the assets held for the accounts. Clients grant The Firm's investment officers full discretion regarding assets held in the accounts. Normally, The Firm limits its investment selections to equity securities traded in one or more of the national exchanges and/or fixed - income securities traded in the over-the-counter markets.

The primary emphasis of The Firm's investment management is the establishment and/or maintenance of individual investment funds that are balanced in their holdings of various types of equity and/or fixed-income securities. The Firm seeks to provide clients with balanced-investment, value-oriented, and endowment-like investment funds that emphasize growth through the receipt of regular, predictable, and increasing cash payments in addition to gains derived from capital appreciation.

The Firm will seek to meet the needs of each client by tailoring the amount invested in each of the above described five investment categories. For example, if the client has a greater need for Tax Exempt Income, then a greater portion of the client's funds will be invested in securities of the type described in the tax exempt income category. While the client grants The Firm full discretionary authority regarding securities purchased and/or held for the client, the firm seeks to be sensitive to the client's wishes regarding any particular security and/or type of security.

The Firm regularly builds and/or maintains for its client's investment funds that contain securities which may be categorized by the following types:

1. Shorter-Term Investments--investments which are held for shorter-term periods as the cash invested is anticipated as being needed for purposes other than short-term investing, and for which the primary investment emphasis is earning income while seeking to ensure preservation of invested capital.
2. Taxable Income--investments which are expected to be held long-term, and for which the primary emphasis is the production of regular and predictable income, with little or no emphasis placed on capital gains.

(SEE CONTINUATION OF ITEM #4 PRESENTED IN CONTINUATION PAGE #21)

## FEES AND COMPENSATION

The Firm does not charge commissions or markups associated with its management of clients investments. The Firm charges a management fee based on the \$Amount Current Market Value of Assets Under Management.

This fee is a sliding-scale fee that rewards clients for placing greater amounts under The Firm's management by periodically, at specified breakpoints, lowering the fee per \$amount managed. The intent is to provide clients a "quantity discount" offering the likelihood that as the \$amount of assets under The Firm's management increases, The Firm will charge a blended-fee that results in the client being assessed a lesser amount per total \$amount under management. Presently, The Firm's fee schedule is:

for the first \$100,000 Current Market Value of Assets Under Management .....	1.85% per annum
for the next \$150,000 Current Market Value of Assets Under Management .....	1.48% per annum
for the next \$250,000 Current Market Value of Assets Under Management .....	1.27% per annum
for the next \$250,000 Current Market Value of Assets Under Management .....	1.00% per annum
for the next \$250,000 Current Market Value of Assets Under Management .....	90% per annum
for the next \$1,000,000 Current Market Value of Assets Under Management .....	88% per annum
for the next \$1,000,000 Current Market Value of Assets Under Management .....	85% per annum
for the next \$1,000,000 Current Market Value of Assets Under Management .....	80% per annum
for the next \$1,000,000 Current Market Value of Assets Under Management .....	75% per annum
for the next \$3,000,000 Current Market Value of Assets Under Management .....	70% per annum
for the next \$2,000,000 Current Market Value of Assets Under Management .....	65% per annum
for the next \$20,000,000 Current Market Value of Assets Under Management .....	60% per annum

For amounts where total \$ Current Market Value of Assets Under Management exceeds \$30,000,000, The Firm's fee is negotiable.

The Firm normally assesses its fee on a quarterly basis for work performed during the previous quarter. The Firm does not charge or accept advance payment or pre-paid fees. Billings normally occur in January, April, July, and/or October. The Firm may bill and assess its fee on a different basis regarding certain client accounts as conditions warrant. Fee payments are deducted from client brokerage accounts held externally with qualified custodian brokerage firms for which the client has authorized The Firm to perform investment management and/or other tasks. Billing Statements are sent to clients associated with each billing and related fee payment, and the custodian brokerage firms from which payments are made will record and report such payments to clients.

Clients may be charged commissions, fees, taxes, and/or assessments by custodian brokerage firms and/or other, independent, and external entities. The Firm does not receive payment from such external entities regarding any such fees assessed clients.

## PERFORMANCE-BASED FEES AND SIDE BY SIDE MANAGEMENT

The Firm does not charge clients additional fees associated with the performance of the investments under The Firm's management. The Firm's only fee is that which is described in Item 5, FEES AND COMPENSATION.

## TYPES OF CLIENTS

The Firm provides services to individuals, families, trusts, businesses and organizations. The Firm does not manage the investments of pensions, 401(k) plans, 403 (b) plans, and/or similar retirement plans. The firm manages IRA - related investment accounts for individuals.

The Firm actively seeks accounts and/or account relationship groups for which the Assets Under Management are \$500,000 or more.

## METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

### RISK OF LOSS

Clients may enjoy gains and income associated with their investments, but may also suffer losses. The Firm does not warrant or guarantee any level of performance associated with client investments. Many factors affecting the outcome of investments are beyond influence or control by The Firm. While The Firm seeks to limit and/or reduce risks associated with its investment management activities, risks are always ever present. Investing involves risk.

The Firm seeks to reduce certain investment related risks by the nature and types of investments it purchases for its clients. The Firm seeks to diversify clients' holdings so that only a relatively small percentage of the total holdings is invested in any single security. The Firm also seeks to reduce risk by emphasizing holding securities expected to make cash payments on a regular and predictable basis.

### METHODS OF ANALYSIS

Research is regular and ongoing within The Firm. Employees are encouraged to continually enhance their skills through continuing education, reading, interaction with other investment professionals, and other means of research. Subscriptions to various written and Internet publications are maintained, and research using the Internet is done regularly. The Firm receives research provided by various investment firms and investment professionals. World, national, and industry events are closely monitored through various sources.

### INVESTMENT STRATAGIES

The Firm seeks to build and manage value-oriented, balanced-investment, endowment-like investment funds for its clients.

"Value-Oriented" refers to seeking to not over pay for individual investment items purchased for clients; often, The Firm seeks to purchase investments at prices believed to be temporarily depressed, and regularly purchases selected securities during periods of their "selling off". Alternatively, when the prices of selected securities rise to the levels that are deemed too pricey for further purchases, such securities are normally identified for possible sale.

(SEE CONTINUATION OF ITEM #8 PRESENTED IN CONTINUATION PAGE #22)



## DISCILPINARY INFORMATION

The Firm and/or its employees are not involved, and have not been involved, in any legal or disciplinary events related to either past or present activities.

## Other Financial Industry Activities and Affiliations

### ACTIVITIES

The Firm does not participate in any other industry business activities. The only activity of The Firm is assisting clients through the management of investments and funds maintained in specific client-owned and client-controlled investment brokerage accounts held externally with custodian brokerage firms.

### AFFILIATIONS

The Firm does not have arrangements that are material to its advisory business or its clients with any "related person" as defined by the SEC.

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

### CODE OF ETHICS

The Firm seeks to ensure the wellbeing of clients, and that the interests of clients come before the wellbeing and interests of The Firm and/or its employees. The Firm's Code of Ethics addresses the fiduciary nature of The Firm's services. Internal controls are regularly reviewed to ensure that operating procedures reflect putting the interest of clients above the interest of The Firm.

The Firm's management regularly reviews internal controls and operating procedures to ensure the confidentiality of client-related information, fairness and accuracy of investment-related information, suitability of investment holdings, and adherence to regulatory compliance. The Firm seeks the highest standard for honesty, fairness, and professionalism in its dealings with clients.

Clients may request a copy of The Firm's Code of Ethics.

### BUYING/SELLING SECURITIES BY THE FIRM'S EMPLOYEE'S

Client(s) engage The Firm to invest and manage their funds in the same and/or similar manner as that being done for The Firm's Investment Manager. The Firm's employees regularly buy, own, and/or sell the same securities for their personal accounts as those purchased, held and/or sold for client(s). Such practice does not create a conflict of interest, as The Firm's client(s) and The Firm's employees share in the outcome of investment decisions.

When purchasing securities, client purchases are completed before Firm employee purchases are conducted. When selling securities, client sales are completed before Firm employee sales are conducted.

To promote internal control, accounting, and/or auditing abilities, all security transactions are conducted through the external qualified custodian broker/dealer firm operating the brokerage account for which The Firm is engaged by the client to manage the assets.

The Firm regularly negotiates with external qualified custodian broker/dealer firms seeking to lower costs that are or may be incurred by clients in the operation and/or administration of investment brokerage accounts.

## Brokerage Practices

### SELECTION OF BROKERAGE FIRMS

The Firm does not have any formal affiliation with any brokerage firm. The Firm does not hold any Client assets in any brokerage account owned or controlled by The Firm. Clients establish brokerage accounts with external custodian broker/dealer firms such as Fidelity Investments, TD Ameritrade, Inc., and/or Charles Schwab & Co., Inc. The Firm is granted special authorities necessary for its management activities by clients as regards these brokerage accounts in the manner dictated and prescribed by the external custodian broker/dealers. All assets are held by, audited, and reported on separately to the client by the external custodian broker/dealer firm. The Firm seeks to limit its investment activity to those external qualified custodian broker/dealer firms holding assets in accounts for which The Firm is engaged to manage assets on behalf of clients.

### DIRECTED BROKERAGE

The Firm does not receive payment for recommending any external custodian broker/dealer firm, nor does The Firm receive any other benefits derived from client securities transactions.

Any recommendation made by The Firm and/or its employees regarding the selection of an external custodian broker/dealer firm is done so with the intention of ensuring the best interest and well being of clients.

The Firm is not compensated for any business or activity conducted for the client by The Firm through service provided by any external custodian broker/dealer firm.

### INDIVIDUAL CLIENT INVESTMENT DECISIONS

Whenever The Firm is considering purchasing or selling any security for any client, it does so following individual review of the client's account(s) and determination of the impact such purchase or sale may be for that individual client if conducted at the then prevailing market price of the security involved. The unique circumstances of each client dictate whether the contemplated transaction is done, and if so in what amount or to what extent. What may be in the best interests of one client may not be in the best interests of another client. Individual investment decisions are made and implemented for individual clients.

(SEE CONTINUATION OF ITEM #12 PRESENTED IN CONTINUATION PAGE #23)

## REVIEW OF ACCOUNTS

Client accounts are regularly reviewed on an ad hoc basis. Daily Investment and/or account related reports are updated and made available to clients through accessing The Firm's Internet web site. Monthly, The Firm reports to clients regarding performance and income production. Quarterly, The Firm prepares a detailed investment report for each account, and often a consolidated report for all accounts comprising an account relationship. Annually, a more detailed analysis is prepared for each account and/or account relationship to provide additional accounting and/or analytical information. Reports prepared by The Firm are in addition to reports, statements, confirmations, etc prepared independently by the external custodian broker/dealer firm and delivered to the client independently by the external custodian broker/deal firm.

Periodically, The Firm prepares reports on the status and performance of the investment accounts under its management for discussion and review with clients.

## *Client Referrals and Other Compensation*

### CLIENT REFERRALS

The principal means by which The Firm adds new clients is through referrals made by existing clients. Periodically, The Firm is recommended to a prospective client by a professional who may not be an existing client of The Firm; for example, an insurance agent, a CPA, a lawyer, a doctor, and/or or other person having a professional relationship with a prospective client may be aware of The Firm's services and may recommend our services.

The Firm does not pay for referrals.

The Firm does not receive payment or compensation for any referral it or its employees may provide existing and/or prospective clients regarding goods or services offered by other firms.

## CUSTODY

The Firm does not have custody of client assets. Client assets are held in client-owned and client-controlled brokerage accounts of external custodian broker/dealer firms that are independent and separate from The Firm. These external custodian broker/dealer firms are referred to as "qualified custodians". The Firm does not offer or manage any asset that may not be held in a brokerage account with a qualified custodian. The qualified custodian will normally provide its reporting at least monthly to the client independent from any action of The Firm. The qualified custodian may act independently from The Firm in its dealings with the client, and will report on the status of brokerage account and assets held in the brokerage accounts independent from any action of The Firm.

The Firm will recommend a client's use of a qualified custodian only if the qualified custodian firm will agree to report to the client independent from any action of The Firm regarding the status and any change in the status of each brokerage account held with the qualified custodian firm. The brokerage account established with the qualified custodian firm is owned by and under the direction of the client, not The Firm. The customer of the qualified custodian is the client, not The Firm. The client may dismiss The Firm at any time for any reason, and the client may continue its relationship with the qualifying custodian irrespective of any decision the client may make regarding The Firm. To promote and enhance this relationship, and to ensure that all transactions directed by The Firm regarding the client's assets are properly accounted for and regularly audited by the qualifying custodian firm, The Firm will direct all transactions through the qualifying custodian firm holding the assets of the client for the brokerage account.

## INVESTMENT DISCRETION

The client gives complete discretion to The Firm to take any and all actions The Firm deems necessary and/or in the best interest of the client as regards investment decisions and/or related activities associated with any asset held in the brokerage account(s) with the qualifying custodian firm for which the client has granted special authorities to The Firm. The client has engaged The Firm to manage the assets held in the brokerage account with the qualified custodian firm, and The Firm may purchase for the client any asset from any source at any price at any time and under any conditions. Normally, to evidence this, the client will execute a standard power-of-attorney form regularly provided by the qualified custodian firm that is limited in its scope to the assets held in the specified brokerage account, In cases where the qualified custodian does not allow power-of attorney to be granted to The Firm regarding a specific brokerage account, the client will execute the highest form of trading authority that may be granted to The Firm as provided in standard forms regularly employed by the custodian for such purpose. Such authorities as may be granted by the client may be revoked and/or amended at any time for any reason by the client and the qualifying custodian independent of any action done or not done by The Firm.



## VOTING CLIENT SECURITIES

The clients grant full and complete discretion to The Firm regarding any voting of the clients' interests associated with clients' ownership of any securities held in the brokerage account(s) with the qualifying custodian. As the purchase and/or holding of any investment related security represents the holder's belief and faith in the quality of the underlying company, The Firm may vote the shares held for clients in the manner as recommended by the Board of Directors of the company for which shares are held in the brokerage account of the qualifying custodian firm. Should a client wish to independently vote shares, the client may do so by directly informing the custodian firm. Clients may contact The Firm regarding how proxy shares may have been voted.

## FINANCIAL INFORMATION

Neither The Firm, nor any of its employees knows of any reason or circumstance by which The Firm may be impaired in its ability to meet and/or honor any contractual commitment to any client.

## **Requirements for State Registered Advisers**

### **William R. Williams – President**

Date of Birth: 10/30/1948

**University Education:** Bachelor of Business Administration (BBA), University Of Houston, 1972  
Master of Business Administration (MBA), Texas Tech University, 1974

June 2000 - Present                      **WRWCO, L.L.C.**, Houston TX

*President & Managing Director* – Chief Executive of a Registered Investment Advisor firm specializing in building and managing individually designed investment portfolios that emphasize seeking growth through capital appreciation and the production of regular, predictable, and increasing income using Stocks, Bonds, Mutual and Closed-End Funds, CDs, and other publicly traded securities

December 2001 – June 30, 2003    **SANDERS MORRIS HARRIS**, Houston TX

*Senior Vice President* – Served in dual capacity as Managing Director of WRWCO, L.L.C managing investment funds of high net worth individuals and institutional clients; and, as Senior Vice President for SMH Capital Advisors, Inc. clients and serviced non-managed accounts as a registered investment representative specializing in analysis and sales of fixed-income securities.

May, 1995 – December, 1999    **AMHERST SECURITIES GROUP, INC.**, Houston TX

*Senior Vice President and Member, Owners Group* – Investment Representative specializing in meeting the fixed-income investment needs of colleges, universities, foundations, endowments, cities, counties, hospitals, insurance companies, and other institutional investors.

September 1988 – May, 1995    **WESTCAP SECURITIES, L.P.**, Houston TX

*Executive Vice President* – Coordinated marketing and directed operations of the College/University, Foundation, Endowment, and Trust Division, and specialized in the analysis and sales of fixed and variable interest rate securities to: colleges, universities, endowments, non-profit foundations, trusts, cities, counties, states, pensions, insurance, companies, banks, savings associations and other institutional investors.

October 1976 – September 1985    **UNIVERSITY OF HOUSTON SYSTEM**, Houston TX

*University Treasurer* – Directed management of treasury operations for the multi-campus public university concerning: banking, investments, debt, capital budgeting, property/casualty insurance, endowments, external foundations and State Treasury.

May 1974 – September 1976    **INTERFIRST BANCSHARES**, Houston TX

*Banking Officer* – Managed commercial, real estate and professional/executive banking relationships.

May 1972 – June 1974                      **TEXAS TECH UNIVERSITY**, Lubbock TX

*Teaching Assistant and Instructor* – Assisted with teaching and research for classes regarding investments, capital markets, and corporate finance.

**Licenses:** NASD Series 7, General Representative License.

NASD Series 63, State License.

NASD Series 66, Investment Advisor Representative License.

**Other Professional Activities:** None

**Additional Compensation:** None

**Disciplinary Information:** None

**Relationship with any issuers of securities:** None

**Paul Williams, Vice President**

Date of Birth: 11/11/1977

**Educational Background:** University Of Houston, Bachelors Business Administration & Finance 2002

**Experience:** Served as Assistant to the President of WRWCO, L.L.C. for 8 years, Vice President for 4 years, he holds the series 65, series 63, and series 7 licenses.

**Other Professional Activities:** None

**Additional Compensation:** None

**Disciplinary Information:** None

**Relationship with any issuers of securities:** None

CONTINUATION OF ITEM #4--advisory business

3. Tax-Exempt Income--investments which are expected to be held long-term, and for which the primary emphasis is the production of income exempt from Federal and/or State income taxation, with little or no emphasis placed on capital gains.
4. Growth--investments which are expected to be held long-term, and for which the primary emphasis is seeking gains through capital appreciation, with little or no emphasis placed on receiving income.
5. Income With Growth--investments which are expected to be held long-term, and for which the primary emphasis is a composite of Taxable and Tax-Exempt Income (with the associated anticipation of receiving regular, predictable, and increasing cash payments), and Growth (with the related anticipation of receiving gains derived from capital appreciation). This type of investment category represents the foundation and hallmark of The Firm's investment activities, and is similar to "Growth & Income" or "Balanced-Fund" investing, but with greater emphasis placed on the amounts of cash payments received and secondary emphasis placed on capital gains.

As of the close of business on December 31, 2011, The Firm managed approximately 148 accounts for approximately 50 account relationships, with total Assets Under Management being approximately \$79 million. The Firm has full discretion regarding all client accounts and Assets Under Management.

## CONTINUATION OF ITEM #8--Investment Strategies

"Balanced-Investment" refers to seeking to not have too great a percentage of total investment funds invested in any one holding, while emphasizing segments of investment markets believed to perform well and limiting exposure to segments not believed to perform well. Investment market conditions are regularly evaluated to determine a balance between fixed-income and equity securities, as well as to they types of equity and/or fixed-income holdings to emphasize and/or de-emphasize.

"Endowment-like" refers to the long-term nature of investment commitments and the related anticipated long-term need for cash derived from investment holdings. Funds are invested to provide funding for an anticipated need, and The Firm seeks to ensure the investment fund to be able to provide cash when needed and in the amounts needed for long periods of time.

The general theme of all investment funds managed for clients is to build and maintain a regularly changing pool of investments that seeks to generate an ever increasing stream of cash payments while also seeking to generate capital gains. The Firm regularly reports to clients regarding the investment fund's performance as to Gains losses, Cash Flow and other matters.

## CONTINUATION OF ITEM #12--Brokerage Practices

To enhance internal controls, accounting, and auditing of management of client accounts, it is the practice of The Firm to place all investment transactions with the external custodian broker/dealer firm holding the assets of the client. While The Firm may act as manager of the client's investment brokerage account, the external custodian broker/deal firm acts as independent auditor to account and report to the client on every transaction affecting the status of the brokerage account and/or the assets held in the brokerage account. The Firm has no ability to limit and/or prevent the external custodian firm in its role of accounting and/or auditing and reporting to the client of every transaction directed by The Firm.

The normal practice of The Firm is to not aggregate security transactions. Each client account is individually created and individually managed. Each investment decision is based upon the individual needs of the client. The Firm does not believe there is a cost advantage to the client whether the security transaction is aggregated or not. The Firm does believe that associated with each potential security buy or sell decision; the account is reviewed to determine the impact of that particular transaction.