

ELITE WEALTH MANAGEMENT, INC.

1014 Market Street, Suite 1000 - Kirkland, WA 98033

CRD Number 132122

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This Brochure provides information about the qualifications and business practices of Elite Wealth Management, Inc. ("**Elite**"). If you have any questions about the contents of this Brochure, please contact us at +1 425 828 4300 or by email at Fariba.Ronnasi@Elitewm.com. You may also visit our website at www.elitewm.com.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("**SEC**") or by any state securities authority.

Elite is a registered investment adviser. Registration of an Investment Adviser does not imply that Elite or any of its principals or employees possess a particular level of skill or training in the investment advisory business or any other business. The oral and written communications of an Investment Adviser provide you with information about which you determine to hire or retain an Investment Adviser.

Additional information about Elite Wealth Management, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

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Item 2 - Material changes

On July 28, 2010, the SEC published “**Amendments to Form ADV**” which amends the disclosure document that we previously provided to our clients as required by SEC Rules. This Brochure is a new document prepared by Elite according to the SEC's new requirements and rules. As such, this document is materially different in structure and requires certain new information than our previous Brochure did not require.

In the future, this Item will discuss only *specific material changes* that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our Brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days our fiscal year-end. We may further provide other ongoing disclosure information about material changes as necessary.

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

Currently, our Brochure may be requested by contacting Fariba Ronnasi, Elite's President and Chief Compliance Officer (“**CCO**”), at +1 425 828 4300 or by email at Fariba.Ronnasi@Elitewm.com.

Additional information about Elite is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Elite who are registered, or are required to be registered, as investment adviser representatives of Elite.

Item 4 - Advisory Business

Elite Wealth Management, Inc. (“**Elite**”, the “**Firm**” or “**we**”) is corporation formed under the laws of the State of Washington in 2004. Elite provides investment advisory services through its Investment Advisor Representatives (“**IARs**”). We integrate the goals and objectives of the client using assumptions that they provide to us in order to develop our investment strategies for each client. Normally an in-depth risk tolerance questionnaire is completed by the client as part of the discovery process. Recommendations to accomplish the client’s goals based on the information provided by the client are then the shared with each client and implemented if approved.

Once an investment account is established, management of the account is done through an interactive process with the client. Depending upon the needs of the client, each client is encouraged to meet with their investment advisor representative at least quarterly, semi-annually, or annually.

Investment Supervisory Services:

In some situations Elite will select individual securities and form investment portfolios to match the investment objectives as stated by the client. The client is responsible for all transaction and exchange costs associated with the portfolio. Some of these individually managed portfolios will use exchange traded funds as investments.

Financial Planning

Some clients are provided a written plan that includes a personal balance sheet and certain projections. All reports, financial statement projections and analyses are intended exclusively for your use in developing and implementing your financial plan. In view of this limited purpose, the statements should not be considered complete financial statements. Accordingly, you should understand that such statements cannot be used to obtain credit or for any purpose other than developing your personal financial plan. We will not audit (examine), review or compile such statements and, accordingly we will not express an opinion or other form of assurance on them, including the reasonableness of assumptions and other data on which any prospective financial statements are based. It is likely that there will be differences between projected and actual results because events and circumstances frequently do not occur as expected and such differences may be material.

Our analyses will be highly dependent on certain economic assumptions that you must make about the future. Therefore, another important step in the process is establishing your familiarity with historical data regarding key assumptions such as inflation and investment rates of return, as well as an understanding of how significantly these assumptions affect the results of our analyses. We may counsel you as to the consistency of your assumptions with relevant historical data, but we will not express any assurance as to the accuracy or reasonableness of your specific data and assumptions. You are ultimately responsible for the assumptions and personal data upon which our procedures and projections are based.

As of December 31, 2010 Elite manages client assets, on a discretionary basis, of \$53,809,209.

Fariba Ronnasi is Elite’s President and CCO and is a 100% owner of the Firm

Item 5 - Fees and Compensation

Elite offers services on a fee-only basis. The typical management fee structure is as follows:

Asset Management Fees - based upon assets under management as follows:

- Fixed Income 1.00%
- Equity 1.00%.
- Elite Selects 1.5%

There is a \$75 minimum management fee per account, annually. This is the general fee schedule; the fees applicable to your account will be provided in your Investment Management Agreement. Fees may be negotiable at the discretion of the Firm.

Portfolios will be valued on the last day of the calendar quarter. Client portfolios are billed in advance, before services are performed. This method is described in more detail in the written investment advisory agreement.

In cases when the advisory agreement does not span the full billing period, fees are prorated from the date of inception. Fees are not rebated if an account is terminated prior to the end of the billing period. The Advisor or Client may terminate the investment advisory agreement at any time with written notice to the advisor at their main office given in Part I, question 2A of Form ADV I. Fees are negotiable.

Hourly Fees

In some cases Elite will perform services for clients where the cost of the service is based upon the amount of time to complete the service at an hourly rate. The rate per hour would depend upon the level of complexity of the service and personnel used on the engagement. The rate would normally not exceed \$400 per hour. The tasks and services to be performed would be described in an engagement letter that is signed by the client and Elite that describes the hourly rate, an estimate of time to complete the project and the procedure for refund or partial billing if the engagement is terminated before completion.

In addition to Elite's fees, Clients are responsible for asset management fees paid to Custodians and broker-dealers. These fees are disclosed in the disclosure document or agreements with the TPM and/or in account opening documents.

Mutual Fund Fees/Exchange Traded Fund Fees

The above-referenced fees charged by Elite do not include brokerage commissions and other costs related to the execution of transactions on behalf of Clients. Such costs will be paid by advisory Clients in addition to the fees discussed above. Moreover, mutual funds and exchange traded funds that are held by advisory Clients will bear their own internal transaction and execution costs, as well as directly compensate their investment managers along with internal administrative services. Some mutual funds pay 12b-1 fees, Distribution Fees, and or Shareholder Service Fees to firms that offer such mutual funds to their Clients. These charges affect the Net Asset Value of these mutual fund shares and are thus indirectly borne by mutual fund shareholders such as an Elite Client.

Some mutual fund companies have imposed a redemption fee. A redemption fee is another type of fee that some funds charge their shareholders when shares are sold or redeemed within a short period of time from the purchase of the mutual fund shares. Although a redemption fee is deducted from redemption proceeds just like a deferred sales load, it is not considered to be a sales load. Unlike a sales load, which is generally used to compensate, a redemption fee is typically used to defray fund costs associated with a

shareholder's redemption and is paid directly to the fund, not to a broker. The SEC generally limits redemption fees to 2%. In most cases, the mutual funds will use the "first-in, first-out" (FIFO) method to determine the holding period. Under this method, the date of the redemption will be compared with the earliest purchase date of shares held in the account. While it is not the general practice of Elite to sell client's securities in a period that would generate a redemption fee, it should be anticipated that Elite might do so if in its opinion the sale is in the client's best interests, or mutual fund shares must be redeemed to pay fees from the account.

A complete explanation of these charges is contained in the prospectus and "Statement of Additional Information" for each mutual fund. You can get a prospectus from the mutual fund company (through its website or by telephone or mail). Your Investment Advisory Representative can also provide you with a copy.

Real Estate Investment Due Diligence

Elite or its President, Fariba Ronnasi, may from time-to-time perform due diligence on Direct Participation programs. The fee charged is normally based upon the value of the investment.

Item 6 - Performance Fees

Elite does not charge any incentive fees.

Item 7 - Types of Clients

Elite's clients include individuals, including high net worth individuals, Pension and profit sharing plans, trusts, estates or charitable organizations and corporations and business entities.

The minimum initial investment is \$100,000. The minimum account size is \$100,000.

Types of Investments

Elite integrates the goals and objectives of each client using assumptions that they provide to us in order to develop our investment strategies for each client. Normally an in-depth risk tolerance questionnaire is completed by the client as part of the discovery process. Recommendations to accomplish the client's goals based on the information provided by the client are then shared with each client and implemented if approved.

Once an investment account is established, management of the account is done through an interactive process with the client. Depending upon the needs of the client, each client is encouraged to meet with their investment advisor representative at least quarterly, semi-annually, or annually.

Elite offers advice on investments including, but not limited to, equity securities, warrants, corporate debt, commercial paper, certificates of deposit, variable annuities, mutual fund shares, United States government securities, option contracts on securities and interests in partnerships investing in real estate.

Item 8 - Methods of Analysis, Sources of Information, Investment Strategies Risk of Loss

Elite uses fundamental analysis. The main sources of information used by Elite include:

- Financial newspapers and magazines
- Research materials prepared by others
- Annual reports, prospectuses, filings with the SEC
- Company press releases

Investment strategies used to implement investment advice include:

- Long-term purchases (securities held at least a year)
- Short-term purchases (securities sold within a year)
- Trading (securities sold within 30 days)
- Short sales
- Margin transactions
- Option writing, including covered options, uncovered options or spreading strategies

Risk Factors

Note: All investments involve the risk of loss, including (among other things) loss of principal, a reduction in earnings (including interest, dividends and other distributions), and the loss of future earnings. These risks include market risk, interest rate risk, issuer risk, and general economic risk. Although we manage the assets in a manner consistent with risk tolerances, there can be no guarantee that our efforts will be successful. The investor should be prepared to bear the risk of loss.

Item 9 - Disciplinary Information

We are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of our business or the integrity of our management. Elite has not been subject to any disciplinary action, whether criminal, civil or administrative (including regulatory) in any jurisdiction. Likewise, no persons involved in the management of the Firm have been subject to such action.

Item 10 - Other Financial Industry Activities and Affiliations

Elite is not registered and does not have an application pending as a securities broker-dealer, futures commission merchant, commodity pool operator or commodity trading advisor.

Fariba Ronnasi, President and CCO of Elite Wealth Management, Inc. is Director of Investor Relations and CCO at Lattice Capital Management, LLC, an affiliated company. Lattice Capital Management and Elite Wealth Management share office space and certain employees which may at times create conflicts of interest and limit investment activities.

Fariba Ronnasi is the Managing Member of Pirouz LP, a partnership that invests in illiquid private placements.

Item 11 - Code of Ethics, Participation/Interest in Client Transactions, Personal Trading

Code of Ethics Pursuant to Rule 204A-1

Elite recognizes and believes that (i) high ethical standards are essential for its success and to maintain the confidence of its clients; (ii) its long-term business interests are best served by adherence to the principle that the interests of clients come first; and (iii) it has a fiduciary duty to its clients to act solely for their benefit. All Elite employees must put the clients' interests before their own personal interests and must act honestly and fairly in all respects in dealings with clients. All Elite employees must also comply with all federal securities laws.

Participation or Interest in Client Transactions

From time-to-time the interests of the principals and employees of Elite may coincide with those of a client. Individual investments may be bought, held or sold by a principal or employee of Elite that is also recommended to or held by a client. If potential insider information is inadvertently provided or learned by a principal or employee, it is the policy of Elite to strictly prohibit its use.

It is the policy of Elite to permit the Firm, its employees and IARs to buy, sell and hold the same securities that the IAR also recommend to clients. It is acknowledged and understood that Elite performs investment services for various clients with varying investment goals and risk profiles. As such, the investment advice may differ between clients and investments made by Elite IARs. Elite has no obligation to recommend for purchase or sale a security that Elite, its principals, affiliates, employees or IARs may purchase sell or hold. When a decision to liquidate a security from all applicable accounts, priority would always be given to the client's orders before those of a related or associated person to the advisor. Elite has procedures dealing with insider trading, employee related accounts, "front running" and other issues that may present a potential conflict when such purchase, sales or recommendations are made. In general, these policies and procedures are intended to eliminate, to the extent possible, the adverse effect on clients of any such potential conflicts of interest.

As stated above, Elite has a Code of Ethics designed to prevent violations of securities rules and will provide a copy to clients upon their request.

Individual Real Estate Projects

The owner of Elite, Fariba Ronnasi, has in the past and may in the future invest in real estate through an LLC along with several clients. Ms. Ronnasi or Elite does not solicit clients of Elite to invest in this investment. Ms. Ronnasi is not the manager of or advisor to the real estate project or was she the sponsor or organizer of the LLC; rather she is a passive investor alongside others, some of who are coincidentally clients of Elite for investment advisory services covering other investments.

Investment in Start-up Companies/Private Placements

From time to time the owners of Elite personally come across opportunities to invest in start up companies/private placements, and may invest in these companies alongside others, some of who are coincidentally clients of Elite for investment advisory services covering other investments. Fariba Ronnasi is the Managing Member of Pirouz, an LLC established for such investments and she receives no compensation for this role.

Allocation of Limited Investment Opportunities

Investment opportunities are allocated to qualified clients based upon the investment's suitability and the client's risk tolerance, financial goals and investment time horizon. In the case of Direct Participation Programs where the availability may be limited and there often is minimum investment amount and a closing date specified by the program, notification of the opportunity will be made among qualified clients on a rotating alphabetical basis and investments allocated on a first to respond basis.

Personal Trading

Elite has adopted a Code of Ethics governing personal trading by its employees. Among other requirements, the Code of Ethics requires employees who have access to client portfolio information or Elite's non-public securities recommendations to report their personal securities transactions and holdings to Elite, and Elite is required to review such reports. All Elite employees are required to pre-clear their personal trades and the CCO shall conduct a quarterly review of such trades.

Additionally, all Elite employees must complete an Initial Holdings Report and Annual Holdings Report confirming the existence and location of any Covered Accounts, as defined by the Code of Ethics.

Clients or prospective clients may obtain a copy of the Code of Ethics by contacting Fariba Ronnasi (CCO) by email at Fariba.Ronnasi@Elitewm.com, or by telephone at +1 425 828 4300.

Item 12 - Brokerage Practices

Elite buys and sells securities for some of its client's accounts via a limited power of attorney granted by the client. There are no restrictions placed upon Elite that limit which security may be purchased or sold on behalf of the client or the amount of any security purchased, sold or held in a client's account unless specifically identified in writing in the client's statement of investment policy or client service agreement.

Elite may if it feels it is in the client's best interest choose to execute a transaction away from the custodian chosen by the client.

Neither Elite nor its representatives will have the authority to withdraw funds or to take custody of client funds or securities except for normal quarterly investment management fees.

Brokerage Discretion

Elite may suggest that clients use a particular custodian and/or broker-dealer. The criteria for suggesting a broker/dealer include reasonableness of commissions, and other costs of trading, ability to facilitate trades, access to client records, computer trading support, and other operational considerations. These factors will be reviewed from time to time to assure the best interests of the client are upheld.

Elite participates in the TD Ameritrade Institutional program. Currently all executions for client accounts are made through this program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC. TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer and FINRA member. There is no

direct link between Elite's participation in the program and the investment advice it gives to its Clients, although Elite receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. TD Ameritrade offers to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions.

Elite may require that clients establish brokerage accounts with TD Ameritrade to maintain custody of clients' assets and to effect trades for their accounts. TD Ameritrade provides Elite with access to its institutional trading and operations services. TD Ameritrade also makes available to Elite other products and services that benefit Elite but may not benefit its clients' accounts. Some of these other products and services assist Elite in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of Elite's fees from its clients' accounts, and assist with back-office support, recordkeeping and client reporting.

Many of these services generally may be used to service all or a substantial number of Elite's accounts, including accounts not maintained at TD Ameritrade. TD Ameritrade may also provide Elite with other services intended to help manage and further develop Elite's business enterprise. These services may include consulting, publications and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, TD Ameritrade may make available, arrange and/or pay for these types of services to Elite by independent third parties. TD Ameritrade may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Elite. The availability to Elite of the foregoing products and services is not contingent upon Elite committing to TD Ameritrade any specific amount of business (assets in custody or trading).

The benefits received by Elite or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, the firm endeavours at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Elite or its related persons in and of itself creates a potential conflict of interest *and may indirectly influence the Elite's choice of TD Ameritrade for custody and brokerage services.*

Elite or its President Fariba Ronnasi may be compensated from direct participation programs that Elite recommends its clients to invest in.

Item 13 - Review of Accounts

Elite will review client accounts on at least an annual basis to compare the client's account performance to their stated goals.

Elite will attempt to contact the client at least quarterly, and will make written inquiry regarding changes in the client's financial situation and needs or investment objectives. In addition, Elite will attempt to meet with the client at least annually to review any changes in

the client's financial situation, needs or investment objectives, as well as the performance of the programs managed by the third party investment adviser(s).

The client will receive statements regarding their account, its holdings, transactions and fees at least quarterly. Account custodians or money managers may prepare and distribute the statements.

Elite does not manage, oversee or report upon a client's investment in Direct Participation Programs or any investment not specifically listed on the monthly statement from the account custodian unless specifically agreed to in writing by the Client and Elite.

Item 14 - Client Referrals and Other Compensation

Elite may, from time to time, enter into written agreements with certain individuals and entities who will act as solicitors of accounts for Elite in accordance with the requirements of Rule 206(4)-3 of the Investment Advisors Act of 1940. Each solicitor must enter into a written agreement with Elite and will receive a portion of the total fee paid to Elite for managing the account. The client is not charged any additional amount in advisory fees as a result of these arrangements. An additional disclosure statement, listing compensation to be paid to solicitors, is provided to the Client prior to or at the signing of Elite's Investment Advisory Agreement.

Elite may receive client referrals from TD Ameritrade through its participation in TD Ameritrade AdvisorDirect (the "referral program"). In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, Advisor may have been selected to participate in AdvisorDirect based on the amount and profitability to TD Ameritrade of the assets in, and trades placed for, client accounts maintained with TD Ameritrade. As explained above, TD Ameritrade is a discount broker-dealer independent of and unaffiliated with Elite and there is no employee or agency relationship between them. TD Ameritrade has established the referral program as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisors. TD Ameritrade does not supervise Elite and has no responsibility for Elite's management of client portfolios or Elite's other advice or services.

Elite pays TD Ameritrade an on-going fee for each successful client referral. This fee is usually a percentage (not to exceed 25%) of the advisory fee that the client pays to Elite ("Solicitation Fee"). Elite will also pay TD Ameritrade the Solicitation Fee on any advisory fees received by Elite from any of a referred client's family members, including a spouse, child or any other immediate family member who resides with the referred client and hired Elite on the recommendation of such referred client. Elite will not charge clients referred through AdvisorDirect any fees or costs higher than its standard fee schedule offered to its clients or otherwise pass Solicitation Fees paid to TD Ameritrade to its clients. For information regarding additional or other fees paid directly or indirectly to TD Ameritrade, please refer to the TD Ameritrade AdvisorDirect Disclosure and Acknowledgement Form.

Elite's participation in AdvisorDirect raises potential conflicts of interest. TD Ameritrade will most likely refer clients through AdvisorDirect to investment advisors that encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to obtain client referrals from TD Ameritrade, Advisor may have an incentive to recommend to clients that the assets under management by Elite be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. In addition, Elite has agreed not to solicit clients

referred to it through AdvisorDirect to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when its fiduciary duties require doing so. Elite's participation in AdvisorDirect does not diminish its duty to seek best execution of trades for client accounts.

Please see Item 12 above regarding Additional Compensation. As explained, Elite or its President Fariba Ronnasi may be compensated from direct participation programs that Elite recommends its clients to invest in.

Item 15 - Custody

The amended and revised Rule 206(4)-2 of the Advisers Act sets forth extensive requirements regarding possession or custody of client funds or securities. The Rule requires advisers that have custody of client securities or funds to implement a set of controls designed to protect those client assets from being lost, misused, misappropriated or subject to financial reverses.

Advisers with custody of client funds and securities must maintain them with "Qualified Custodians." "Qualified Custodians" under the amended rule include banks and savings associations and registered broker-dealers.

Elite may in some cases be authorized to deduct fees by direct debit, and therefore be deemed to have custody of client funds. However, Elite does not maintain direct custody or possession of any of its client's funds or securities. Elite currently uses TD Ameritrade as its qualified custodian. Through this arrangement the custodian will provide among other things, clearing, custodial and record keeping services. Clients will receive account statements from the qualified custodian and should carefully review those statements

Item 16 - Investment Discretion

In-depth risk tolerance questionnaire is completed by the client as part of the discovery process. Recommendations to accomplish the client's goals based on the information provided by the client are then shared with each client and implemented if approved.

Once an investment account is established, management of the account is done through an interactive process with the client. Depending upon the needs of the client, each client is encouraged to meet with their investment advisor representative at least quarterly, semi-annually, or annually. Other than the parameters established by Elite and the client and set forth in this section, there are no limitations on the authority of Elite.

Item 17 - Voting Client Securities

It is the policy of Elite not to assume the duty to vote proxies for securities held by clients in managed accounts. In clients accounts directly managed by Elite, the client will retain the right and obligation to vote any proxies solicited by or with respect to securities held in their account, including any shares of mutual funds or assign that right to a third party. Clients will receive their proxies or other solicitations directly from the custodian. Clients may contact Elite with questions about a particular solicitation.

In the situation where the client or Elite has chosen a Third Party Money Manager to perform the day-to-day portfolio management, the responsibility to vote the proxies normally rests with the Third Party Money Manager unless that right has been retained by the client.

Clients may obtain a copy of Elite's Policies by contacting Fariba Ronnasi, Elite's President and Chief Compliance Officer ("**CCO**"), at +1 425 828 4300 or by email at Fariba.Ronnasi@Elitewm.com.

Item 18 - Financial Information

Elite does not require or solicit pre-payment of any type of client fees more than \$1,200 per client 6 months or more in advance.

Elite has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.