

## **Efficient Wealth Management, LLC**

**8505 Technology Forest Place, Suite 104  
The Woodlands, TX 77381**

**Tel.: (281) 528-1200**

**Fax: (888) 868-1168**

**[www.efficientwealthmanagement.com](http://www.efficientwealthmanagement.com)**

**3/21/2011**

### **FORM ADV PART 2 BROCHURE**

**This brochure provides information about the qualifications and business practices of Efficient Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at (281) 528-1200. 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 Efficient Wealth Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Efficient Wealth Management, LLC is 134242.**

**Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

## ***Summary of Material Changes***

Form ADV Part 2A, Item 2

This disclosure brochure is a new document prepared according to new regulatory rules and requirements. As such, this document is different in structure and requires certain new information that our previous brochure did not require.

In the future, this section will discuss only specific material changes that are made to the brochure and provide clients with a summary of such changes.

Any material conflicts of interest between you and our firm, or our employees are disclosed in this disclosure brochure. If at any time, additional material conflicts of interest develop, we will provide you with written notification of the material conflicts of interest or an updated disclosure brochure.

## Table of Contents

<b><i>Advisory Business.....</i></b>	<b><i>1</i></b>
<b><i>Fees and Compensation .....</i></b>	<b><i>4</i></b>
<b><i>Performance-Based Fees and Side-By-Side Management.....</i></b>	<b><i>4</i></b>
<b><i>Types of Clients.....</i></b>	<b><i>5</i></b>
<b><i>Methods of Analysis, Investment Strategies and Risk of Loss.....</i></b>	<b><i>5</i></b>
<b><i>Disciplinary Information.....</i></b>	<b><i>6</i></b>
<b><i>Other Financial Industry Activities and Affiliations .....</i></b>	<b><i>7</i></b>
<b><i>Code of Ethics and Personal Trading .....</i></b>	<b><i>7</i></b>
<b><i>Brokerage Practices .....</i></b>	<b><i>8</i></b>
<b><i>Review of Accounts.....</i></b>	<b><i>8</i></b>
<b><i>Client Referrals and Other Compensation.....</i></b>	<b><i>9</i></b>
<b><i>Custody .....</i></b>	<b><i>9</i></b>
<b><i>Investment Discretion.....</i></b>	<b><i>9</i></b>
<b><i>Voting Client Securities.....</i></b>	<b><i>10</i></b>
<b><i>Financial Information.....</i></b>	<b><i>10</i></b>
<b><i>Additional Information.....</i></b>	<b><i>10</i></b>

## Advisory Business

Form ADV Part 2A, Item 4

Efficient Wealth Management, LLC, is registered investment adviser based in The Woodlands, TX. We are organized as a limited liability company under the laws of the State of Texas. We have been providing investment advisory services since 2005. Paul James Carroll, Managing Member and Chief Compliance Officer, is our principal owner. Our mission is to provide our clients with sensible and unbiased financial planning solutions where the interests of our clients always come first. Our goal is to assist our clients in prioritizing and qualifying their financial goals, setting realistic expectations and implementing a disciplined and prudent investment and savings strategy to achieve these goals.

Currently, we offer the following investment advisory services, which are personalized to each individual client. Wealth Management Services to include:

- **Portfolio Monitoring & Asset Allocation Services**
- **Broad Based Financial Planning Services**

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words “we”, “our” and “us” refer to Efficient Wealth Management, LLC and the words “you”, “your” and “client” refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person throughout this brochure. As used in this brochure, our Associated Persons are our firm’s officers, employees, and all individuals providing investment advice on behalf of our firm.

### *Portfolio Monitoring & Asset Allocation Services*

We provide discretionary portfolio management services to our clients. Our investment advice is tailored to meet our clients’ needs and investment objectives. If you retain our firm for portfolio management services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information (the “suitability information”) at the beginning of our advisory relationship. We will use the suitability information we gather to develop a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf. As part of our portfolio management services, we will customize an investment portfolio for you in accordance with your risk tolerance and investing objectives. Once we construct an investment portfolio for you, we will monitor your portfolio’s performance on an ongoing basis, and will rebalance the portfolio as required by changes in market conditions and in your financial circumstances.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow our firm to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm, a power of attorney, or trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing.

As part of this service, we will assist you in determining your investment goals and objectives, risk tolerance, and retirement plan time horizon in order to create an initial portfolio allocation designed to complement your educational, home ownership, and retirement funds goals and objectives. The advisory representative will then prepare an investment policy describing asset-class allocation recommendations without detailing specific holdings.

Our investment strategy will focus primarily on a buy and hold approach as opposed to short-term trading. Each portfolio will be initially designed to meet a particular investment goal, which your advisory representative has determined to be suitable for your circumstances. Once the appropriate portfolio has been determined, your advisory representative will review the portfolio at least monthly and, if necessary, rebalance your portfolio, based upon your individual needs and stated goals and objectives. As our client, you will have the opportunity to place reasonable restrictions on the types of investments to be held in your portfolio. Our

strategy, generally, will be to seek long term portfolio growth while providing you with access to the personal advisory services of an advisory representative on at least an annual basis, or more often, depending upon your specific agreement with your advisory representative. Our advisory representatives will not attempt to manage short-term market fluctuations with active trading (market-timing/allocation, etc.).

Our fee for portfolio management services is based on a percentage of your assets we manage and is charged according to the following fee schedule:

<b>Portfolio Value</b>	<b>Advisory Fee*</b>
\$0 to \$1,000,000	1.0%
\$1,000,001 to \$2,000,000	0.9%
\$2,000,001 to \$4,000,000	0.8%
\$4,000,001 to \$7,000,000	0.7%
\$7,000,001 to \$10,000,000	0.6%
\$10,000,000 +	0.5%

\* We assess a minimum quarterly fee of \$2,000 if the portfolio value falls below \$800,000.

For all accounts the fee schedule is tiered, whereby fees are assessed a flat percentage according to the corresponding portfolio value bracket.

At our discretion, we may assess lower than stated fees for existing accounts. We may also combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

Unless otherwise agreed upon in writing, the advisory fee is allocated among all aggregated accounts and deducted in accordance with such allocation.

We may enter into arrangements with clients where we will manage retirement plan assets on a discretionary basis. If you engage our firm for such services, we must adhere to ERISA bonding requirements pursuant to ERISA Section 412 as well as any other applicable ERISA requirements.

Our annual portfolio management fee is billed and payable quarterly in advance based on the value of your account on the last day of the previous quarter. The initial fee is payable when your account is established. If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Additional deposits to your account during a quarter are subject to the same fee procedures. Our advisory fee is negotiable, depending on individual client circumstances.

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy. We will also receive a duplicate copy of your account statements.

You may terminate the portfolio management agreement by providing written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement for services, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

### *Financial Planning Services*

We offer financial planning services to individuals, mostly associated with the aviation industry. Our financial planning services will focus primarily on assisting individuals, who are considering retirement or who have retired from the aviation industry, in planning for their financial futures. We also work with aviation professionals, who are still accumulating wealth, in planning for their retirements. These services typically involve providing a variety of services to clients regarding the management of their financial resources based upon an analysis of their individual needs. The process typically begins with an initial complementary consultation. If during or after the initial consultation, you decide to engage our firm for financial planning services, we will collect pertinent information about your personal and financial circumstances and objectives. As required, we will conduct follow up meetings for the purposes of reviewing and/or collecting financial data. Once we study and analyzed the information you provide, we will deliver a written financial plan to you that is designed to help you achieve your stated financial goals and objectives.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to our firm. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

Some clients may only require advice on a single aspect of the management of their financial resources. Under these circumstances, we offer general consulting services that are designed to address only those specific areas of interest or concern, depending on your unique circumstances.

You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

We charge an hourly fee of \$250.00 for financial planning services for non-asset management clients only. This is negotiable depending on the scope and complexity of the plan, your situation, and your financial objectives. An estimate of the total time/cost will be determined at the start of the advisory relationship. In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, we will notify you and request that you approve the additional fee.

Fees are due upon completion of services rendered. However, we may allow for other fee-paying arrangements. For example, we may require that you pay an initial retainer fee equal to one-half of the estimated fee in advance of any services rendered. The balance would then be due upon completion of the contracted services.

At our discretion, we may offset our advisory fees to the extent you implement your financial plan through our Portfolio Monitoring and Asset Allocation Services described above.

You may terminate the financial planning agreement by providing written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement. In the event there are any prepaid, unearned fees, we will promptly refund a pro rata share to you.

Pursuant to California Code of Regulations, 10 CCR Section 260.235.2, we make the following statement: a conflict exists between the interest of our firm and the interests of the Client. Further, the Client is under no obligation to act upon our recommendations, and if the Client elects to act on any of the recommendations, the Client is under no obligation to effect the transactions through our firm.

### **Types of Investments**

We primarily offer advice on equity securities, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities, U.S. Government securities, options contracts on securities, futures contracts on securities and commodities, and interest in partnerships investing in real estate, oil and gas interests, and others.

Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

#### **Assets Under Management**

As of December 31, 2010, we manage \$50,852,807 in client assets on a discretionary basis.

### ***Fees and Compensation***

Form ADV Part 2A, Item 5

Please refer to the “Advisory Business” section in this Brochure for information on our advisory fees, fee paying arrangements, and refund policy according to each service we offer.

#### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund’s prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the “Brokerage Practices” section of this Disclosure Brochure.

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

Form ADV Part 2A, Item 6

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client’s account. Our fees are calculated as described in the *Advisory Business* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## ***Types of Clients***

Form ADV Part 2A, Item 7

We offer investment advisory services to individuals, trusts, estates, charitable organizations, corporations, and other business entities. In general, we require a minimum of \$750,000 to open and maintain an advisory account. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management. We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

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

Form ADV Part 2A, Item 8

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

### ***Investment Strategies***

We may use one or more of the following investment strategies when formulating investment advice:

- Modern Portfolio Theory (MPT) – Asset Allocation (MPT is utilized extensively). MPT is a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully diversifying the proportions of various assets. Market risk applies with MPT. Market risk is that part of a security's risk that is common to all securities of the same general class (stocks and bonds) and thus cannot be eliminated by diversification.

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

We may use one or more of the following methods of analysis when providing investment advice to you:

- Long Term Purchases – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- Short Term Purchases – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short term price fluctuations.
- Margin Transactions – a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan.
- Options Trading/Writing: a securities transaction that involves buying or selling (writing) an option. If you write an option, and the buyer exercises the option, you are obligated to purchase or deliver a specified number of shares at a specified price at the expiration of the option regardless of the market value of the security at expiration of the option. Buying an option gives you the right to purchase or sell a specified number of shares at a specified price until the date of expiration of the option regardless of the market value of the security at expiration of the option.

### ***Risk of Loss***

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.



### **Recommendation of Particular Types of Securities**

Where suitable, we primarily recommend investment in Exchange Traded Funds and Indexed Mutual Funds; however, we may recommend other types of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

Mutual funds and exchange traded funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. Exchange traded funds differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of the fund, other types of mutual funds do charge such fees which can also reduce returns.

Mutual funds can also be "closed end" or "open end". Open-end funds calculate the value of one share, known as the net asset value (NAV), only once a day, when the investment markets close. All purchase and sales for the day are recorded at that NAV. To figure its NAV, a fund adds up the total value of its investment holdings, subtracts the fund's fees and expenses, and divides that amount by the number of fund shares that investors are currently holding.

NAV isn't necessarily a measure of a fund's success, as stock prices are, however. Since open-end funds can issue new shares and buy back old ones all the time, the number of shares and the dollars invested in the fund are constantly changing. That's why in comparing two funds it makes more sense to look at their total return over time rather than to compare their NAVs.

Closed-end funds differ from open-end funds because they raise money only once in a single offering, much the way a stock issue raises money for the company only once, at its initial public offering, or IPO. After the shares are sold, the closed-end fund uses the money to buy a portfolio of underlying investments, and any further growth in the size of the fund depends on the return on its investments, not new investment dollars. The fund is then listed on an exchange, the way an individual stock is, and shares trade throughout the day.

### ***Disciplinary Information***

Form ADV Part 2A, Item 9

Efficient Wealth Management has been registered and providing investment advisory services since 2006. Neither our firm nor any of our associated persons has any reportable legal or disciplinary information.

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

Form ADV Part 2A, Item 10

We have not provided information on other financial industry activities and affiliations because we do not have any relationship or arrangement that is material to our advisory business or to our clients with any of the types of entities listed below.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
3. other investment adviser or financial planner
4. futures commission merchant, commodity pool operator, or commodity trading advisor
5. banking or thrift institution
6. accountant or accounting firm
7. lawyer or law firm
8. insurance company or agency
9. pension consultant
10. real estate broker or dealer
11. sponsor or syndicator of limited partnerships

## ***Code of Ethics and Personal Trading***

Form ADV Part 2A, Item 11

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Our Code of Ethics is available to you upon request. You may obtain a copy of our Code of Ethics by contacting us at (281) 528-1200 or via email at: [Paul@EWealthMgmt.com](mailto:Paul@EWealthMgmt.com).

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our Associated Persons nor we shall have priority over your account in the purchase or sale of securities.

## **Brokerage Practices**

Form ADV Part 2A, Item 12

We recommend the brokerage and custodial services of Charles Schwab & Co., Inc. or TD Ameritrade, Inc., both securities broker-dealers and members of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. We believe that Charles Schwab & Co., Inc. or TD Ameritrade, Inc. provides quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by Charles Schwab & Co., Inc. or TD Ameritrade, Inc. including the value of research provided, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of research services and additional brokerage products and services Charles Schwab & Co., Inc. or TD Ameritrade, Inc. provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### **Directed Brokerage**

In limited circumstances, and at our discretion, some clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. If you choose to direct our firm to use a particular broker, you should understand that this might prevent from effectively negotiating brokerage commissions on your behalf. This practice may also prevent our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you.

### **Block Trades**

We do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (the practice of combining multiple orders for shares of the same securities is commonly referred to as "block trading"). Accordingly, you may pay different prices for the same securities transactions than other clients pay. Furthermore, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than other clients.

## **Review of Accounts**

Form ADV Part 2A, Item 13

Paul James Carroll, Managing Member and Chief Compliance Officer, or the assigned advisory representative on the account will review your accounts on a monthly basis. We will conduct an extensive client account review and meeting at least annually or more frequently if economic, political, or market conditions dictate or upon your request. We may conduct interim meetings or account reviews at your request or upon our receipt of information material to the management of your portfolio.

You will receive statements directly from your account custodian on either a monthly or quarterly basis. The statements will reflect the position, current pricing, transactions in each account, including fees paid from your account to our firm. You may also receive periodic asset allocation reports showing drift and total balance of the account.

## ***Client Referrals and Other Compensation***

Form ADV Part 2A, Item 14

We may directly compensate non-affiliated individuals or entities (Solicitors), such as a CPA firm for client referrals. In order to receive a cash referral fee from our firm, a Solicitor must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a Solicitor, you should have received a copy of this Disclosure Brochure along with the Solicitor's disclosure statement at the time of the referral. If you become a client, the Solicitor that referred you to our firm will receive a percentage of the advisory fee you pay our firm for as long as you are a client with our firm, or until such time as our agreement with the Solicitor expires. You will not pay additional fees because of this referral arrangement. Referral fees paid to a Solicitor are contingent upon your entering into an advisory agreement with our firm. Therefore, a Solicitor has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

Solicitors that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements. We request that our Solicitors disclose to you whether multiple referral relationships exist and that comparable services may be available from other advisers for lower fees and/or where the Solicitor's compensation is less favorable.

## ***Custody***

Form ADV Part 2A, Item 15

We directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent qualified custodian. You will receive account statements from the independent qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

## ***Investment Discretion***

Form ADV Part 2A, Item 16

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement.

You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the "Advisory Business" section in this Brochure for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s).

### ***Voting Client Securities***

Form ADV Part 2A, Item 17

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

### ***Financial Information***

Form ADV Part 2A, Item 18

Our firm does not have any financial conditions or impairments that would prevent us from meeting our contractual commitments to you. We **do not** take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and we do not require the prepayment of fees six or more months in advance and in excess of \$1,200. Therefore, we are not required to include a financial statement with this brochure.

### ***Additional Information***

#### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact Paul James Carroll, Principal and Chief Compliance Officer at (281) 528-1200 or via email at: [Paul@EWealthMgmt.com](mailto:Paul@EWealthMgmt.com), if you have any questions regarding this policy.

**Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, you will keep the profit.

**Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.