

**ITEM 1: COVER PAGE FOR  
PART 2B OF FORM ADV:  
BROCHURE SUPPLEMENT  
APRIL 2012**

**SIMON JAMES THOMPSON**

**TEXAS LEGACY WEALTH MANAGEMENT  
40 NE LOOP 410 SUITE 644 SAN ANTONIO, TX 78216  
(210) 541-8600**

**FIRM CONTACT: ENZO T. PELLEGRINO, JR., CHIEF COMPLIANCE OFFICER  
[WWW.TEXASLEGACYWEALTH.COM](http://WWW.TEXASLEGACYWEALTH.COM)**

This brochure supplement provides information about Simon James Thompson that supplements our ADV Part 2A Firm Brochure. Please contact Mr. Pellegrino, President and Chief Compliance Officer, if you did not receive our firm's brochure or if you have any questions about the contents of this supplement.

Additional information about Mr. Thompson is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2. Educational Background and Business Experience**

**Simon James Thompson**

Born in 1983

### **Formal Education:**

- 2005 Trinity University, BA Economics

### **Business Background:**

- 09/2009 to Present, Texas Legacy Wealth Management, Investment Adviser Representative since 08/2011
- 09/2009 - Present, LPL Financial LLC, Registered Representative
- 08/2007-08/2009, Fisher Investments, Investment Counselor
- 10/2006 – 08/2007, Fisher Investments, Portfolio Evaluation Associate
- 08/2005 – 10/2006, Fisher Investment, Client Services Associate

### **Licenses and Other Professional Designations:**

- 2009 Series 7
- 2009 Series 63
- 2007 Series 65

## **Item 3. Disciplinary Information**

If there are legal or disciplinary events material to your evaluation of Mr. Thompson, we are required to disclose all material facts regarding those events.<sup>1</sup>

We have nothing to disclose in this regard.

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

- A. If Mr. Thompson is actively engaged in any investment-related business or occupation, including if he is registered, or has an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant (“FCM”), commodity pool operator (“CPO”), commodity trading advisor (“CTA”), or an associated person of an FCM, CPO, or CTA, we are required to disclose this fact and describe the business relationship, if any, between the advisory business and the other business.

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<sup>1</sup> **Note:** Our firm may, under certain circumstances, rebut the presumption that a disciplinary event is material. If an event is immaterial, we are not required to disclose it. When we review a legal or disciplinary event involving Mr. Thompson to determine whether it is appropriate to rebut the presumption of materiality, we consider all of the following factors: (1) the proximity of Mr. Thompson to the advisory function; (2) the nature of the infraction that led to the disciplinary event; (3) the severity of the disciplinary sanction; and (4) the time elapsed since the date of the disciplinary event. If we conclude that the materiality presumption has been overcome, we prepare and maintain a file memorandum of our determination in our records. We follow SEC rule 204-2(a)(14)(iii) and similar state rules.

1. If a relationship between the advisory business and Mr. Thompson's other financial industry activities creates a material conflict of interest with you, the SEC requires us to describe the nature of the conflict and generally how we address it.

We have nothing to disclose in this regard.

2. If Mr. Thompson receives commissions, bonuses or other compensation based on the sale of securities or other investment products, including as a broker-dealer or registered representative, and including distribution or service ("trail") fees from the sale of mutual funds, we have to disclose this fact. If this compensation is not cash, we are required to explain what type of compensation he receives. We must explain that this practice gives him an incentive to recommend investment products based on the compensation received, rather than on your needs.

Mr. Thompson is also a registered representative with LPL Financial, a registered broker/dealer and member of FINRA. In such capacity, he may sell securities through LPL Financial and receive normal and customary commissions as a result of such purchases and sales. The client is under no obligation to purchase or sell securities through Mr. Thompson on a commissionable basis. In addition, he may receive other compensation such as mutual fund or money market 12b-1 fees and variable annuity trails. The potential for receipt of commissions and other compensation gives Mr. Thompson an incentive to recommend investment products based on the compensation received, rather than on the client's needs. To address this, disclosure is made to the client at the time a brokerage account is opened through LPL Financial, identifying the nature of the transaction or relationship, the role to be played by LPL Financial and Mr. Thompson, and any compensation (e.g., commissions, 12b-1 fees) to be paid by the client and/or received by the registered representative. This activity takes up to 25% of Mr. Thompson's time.

- B. If Mr. Thompson is actively engaged in any business or occupation for compensation not discussed in response to Item 4.A, above, and the other business activity or activities provide a substantial source of his income or involve a substantial amount of his time, we are required to disclose this fact and must describe the nature of that business. If the other business activities represent less than 10 percent of his time and income, we may presume that they are not substantial.

Our firm, Texas Legacy Wealth Management, is licensed as an insurance agency.

Mr. Thompson is also an insurance agent. In such capacity, he may offer fixed and variable life insurance products and receive normal and customary commissions as a result of any purchases made by clients. The client is under no obligation to purchase fixed or variable life insurance through Mr. Thompson on a commissionable basis. In addition, he may receive other compensation such as fixed or variable life trails. The potential for receipt of commissions and other compensation gives Mr. Thompson an incentive to recommend insurance products based on the compensation received, rather than on the client's needs. To address this, disclosure is made to the client at the time purchase is made, identifying the nature of the transaction or relationship, the role to be played by Mr. Thompson, and any

compensation(e.g., commissions, trails) to be paid by the client and/or received by the insurance agent. This activity takes up to 10% of Mr. Thompson's time.

### **Item 5. Additional Compensation**

If someone who is not a client provides an economic benefit to Mr. Thompson for providing advisory services, we are required to generally describe the arrangement. For purposes of this Item, economic benefits include sales awards and other prizes, but do not include his regular salary. Any bonus that is based, at least in part, on the number or amount of sales, client referrals, or new accounts should be considered an economic benefit, but other regular bonuses should not.

Mr. Thompson may benefit from his relationship with LPL Financial. He executes advisory clients' brokerage transactions through LPL Financial. Because his expenses would likely increase considerably without this relationship with LPL Financial, this relationship might be considered a "soft dollar" relationship. Under Section 28(e) of the Securities and Exchange Act of 1934, an investment adviser's use of client commission dollars to acquire research and brokerage products and services is not a breach of an investment adviser's fiduciary duty to clients – even if the brokerage commissions paid are higher than the lowest available as long as (among certain other requirements) the investment adviser determines that the commissions are reasonable compensation for both the brokerage services and the research acquired.

LPL Financial may suggest a level of future business in order to continue this relationship. Mr. Thompson's execution of securities transactions through LPL Financial may be less than the suggested level but can and often does exceed that level. This relationship may create an incentive for our firm to cause you to effect more transactions through LPL Financial than he might otherwise do in order to meet suggested levels.

Mr. Thompson may receive non-cash compensation from product sponsors. Such compensation may not be tied to the sales of any products. Compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings or marketing or advertising initiatives. Product sponsors may also pay for education or training events that he may attend.

He may receive from LPL Financial bonuses on my production, awards of stock options to purchase shares of LPL Financial's parent company, LPL Investment Holdings Inc., reimbursement of fees paid to LPL Financial for items such as administrative services, and other things of value such as free or reduced-cost marketing materials, payments in connection with the transition of his association from another broker-dealer or investment advisor firm to LPL Financial, or attendance at the LPL Financial national conference or top producer forums and events. These types of compensation from LPL Financial may be based on my overall business production and/or on the amount of assets services by Mr. Thompson in LPL Financial advisory programs. This means that he may have a financial incentive to recommend LPL Financial as broker-dealer.

## **Item 6. Supervision**

We are required to explain how we supervise Mr. Thompson, including how we monitor the advice he provides to you. Our firm has to provide the name, title and telephone number of the person responsible for supervising his advisory activities on behalf of our firm.

Enzo T. Pellegrino, Jr., Managing Member and Chief Compliance Officer of Texas Legacy Wealth Management, supervises and monitors Mr. Thompson's activities on a regular basis to ensure compliance with our firm's policies, procedures and Code of Ethics. Please contact Mr. Pellegrino if you have any questions about Mr. Thompson's brochure supplement at 210-541-8600. In addition, all accounts that are managed by Mr. Pellegrino are subjected to surveillance reporting generated by LPL Financial and enforced by Texas Legacy Wealth Management using various criteria designed to monitor account activity, potential concentration levels of holdings, and performance of the account versus defined benchmarks.

## **Item 7. Requirements for State-Registered Advisers**

A. In addition to the events listed in Item 3 of Part 2B, if Mr. Thompson has been involved in one of the events listed below, we disclose all material facts regarding the event.

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

We have nothing to disclose in this regard.

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

We have nothing to disclose in this regard.

B. If Mr. Thompson has been the subject of a bankruptcy petition, we must disclose that fact, the date the petition was first brought, and the current status.

We have nothing to disclose in this regard.