



**Heritage Wealth Management, Inc.**  
***ADV 2A (Firm Brochure)***

4400 Post Oak Parkway, Suite 2510  
Houston, TX 77027

Brett Carleton: 713-871-9800  
Brett@heritageplanners.com  
www.heritageplanners.com  
www.heritagewealthmgmt.com

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This brochure provides information about the qualifications and business practices of Heritage Wealth Management, Inc. If you have any questions about the contents of this brochure, please contact us at 713-871-9800 and/or at Brett@heritageplanners.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 Heritage Wealth Management, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Material Changes**

The last annual update of this brochure was in March 2020. No material changes have occurred since that update.

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## ADVISORY BUSINESS

### Advisory Firm Description

Heritage Wealth Management, Inc. ("HWM" or the "Firm") has been in business since July 1, 2002. The principal owner is Brett Stephen Carleton.

### Types of Advisory Services

#### *Financial Planning Services*

Financial planning advice will 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 Firm will first conduct a complimentary initial consultation during which pertinent information about the client's financial circumstances and objectives is collected. The information normally covers, but is not limited to, present and anticipated assets and liabilities, retirement goals, investment horizon, financial needs and cost of living needs. Once such information has been reviewed and analyzed, a written financial plan designed to achieve the client's stated financial goals and objectives will be produced and presented to the client.

#### *Investment Advisory Services*

HWM also offers investment advisory services known as wrap fee programs, which include portfolio management for individuals and for businesses, pension consulting and selection of other advisers. These services are separately disclosed in the Firm's Wrap Fee brochure.

### Client Assets Under Management

As of December 31, 2020, the Firm had \$184,451,942 of discretionary assets under management.

## FEES AND COMPENSATION

HWM utilizes the following financial planning fee schedule, subject to negotiation depending on the nature, complexity and time involved in providing the client with requested services:

#### *Fixed Fees*

HWM will charge a fixed fee, which ranges between \$2,500 and \$10,000 for comprehensive financial planning services. The fee is determined at the onset of the engagement and depends upon the complexity of the client's needs and the scope of the financial planning services required to meet those needs. This fee is charged one-half up front and one-half upon completion of the plan, with plans generally being completed within 90 days. *In limited circumstances*, the total cost could potentially exceed this fixed amount, which is directly dependent upon the complexity

of the contracted service. In such cases, HWM will notify the client and request that the client pay an additional fee.

#### *Hourly Fees*

HWM charges an hourly consultation fee, which ranges between \$100 and \$300 depending on the nature of the contracted services. These consultation fees are due immediately upon completion of the consultation.

#### **Termination**

The typical financial planning agreement HWM enters into with clients allows for either party to terminate the agreement immediately upon receipt of written notice. The client can terminate a financial planning agreement without penalty within five (5) business days after entering the agreement. Otherwise, at the date of termination, the client agrees to pay fees due the Firm on a pro rata basis or the Firm will refund any prepaid fees which have not yet been earned (e.g., if a client chooses not to go through with the plan after paying HWM ½ of the fee, the Firm will refund that portion of the fee to the client).

### **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

HWM does not charge any performance-based fees or engage in side-by-side management.

### **TYPES OF CLIENTS**

HWM provides investment advisory services to:

- Individuals
- High net worth individuals
- Trusts

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

HWM does not invest for clients in its financial planning role.

The financial planning process will involve the collection, organization and assessment by HWM of all relevant client data, as well as identification of the client's financial concerns, goals and objectives. The primary objective of this process is to allow HWM to assist the client in developing a strategy for the successful management of income, assets and liabilities in meeting the client's long-term financial goals and objectives.

Financial plans are based on the client's financial situation at the time the plan is presented and are based on financial information disclosed by the client to HWM. HWM cannot offer any guarantees or promises that the client's financial goals and objectives will be met. As the client's financial situation, goals, objectives or needs change, the client must notify HWM promptly.

Clients are advised that financial plans do not guarantee investment results. Investment assumptions included in a financial plan are not guaranteed and should be monitored based on each client's individual risk temperament, time horizon and portfolio allocation.

#### **DISCIPLINARY INFORMATION**

There have been no disciplinary actions against HWM or Mr. Carleton.

#### **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

HWM has no other financial industry activities or affiliations.

#### **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

##### **Code of Ethics**

HWM has adopted a Code of Ethics which describes the general standards of conduct that the Firm expects of all Firm personnel (collectively referred to as "employees") and focuses on three specific areas where employee conduct has the potential to adversely affect the client:

- Misuse of nonpublic information
- Personal securities trading
- Outside business activities

Failure to uphold the Code of Ethics could result in disciplinary sanctions, including termination with the Firm. Any client or prospective client can request a copy of the Firm's Code of Ethics which will be provided at no cost.

The following basic principles guide all aspects of the Firm's business and represent the minimum requirements to which the Firm expects employees to adhere:

- Clients' interests come before employees' personal interests and before the Firm's interests.
- The Firm must fully disclose all material facts about conflicts of interest of which it is aware between itself and clients as well as between Firm employees and clients.
- Employees must operate on the Firm's behalf and on their own behalf consistently with the Firm's disclosures and to manage the impacts of those conflicts.
- The Firm and its employees must not take inappropriate advantage of their positions of trust with or responsibility to clients.

- The Firm and its employees must always comply with all applicable securities laws.

#### *Misuse of Nonpublic Information*

The Code of Ethics contains a policy against the use of nonpublic information in conducting business for the Firm. Employees cannot convey nonpublic information nor depend upon it in placing personal or recommending clients' securities trades.

#### *Personal Securities Trading*

Mr. Carleton and individuals associated with the Firm are permitted to buy, sell or hold in their personal accounts the same securities the Firm recommends to its clients. When such trades occur on the same day as client trades, they are either traded simultaneously with the client to receive average pricing, or they are traded after client trades. The purchase of IPOs or private placements is allowed with prior permission from Mr. Carleton, the Firm's Chief Compliance Officer. The Firm does not allow front running.

Employees are required to submit reports of personal securities trades on a quarterly basis, and securities holdings annually. These are reviewed by the Chief Compliance Officer to ensure compliance with the Firm's policies.

#### *Outside Business Activities*

Employees are required to report any outside business activities generating revenue. If any are deemed to be in conflict with clients, such conflicts will be fully disclosed or the employee will be directed to cease this activity.

### **BROKERAGE PRACTICES**

In its financial planning role, the Firm does not recommend brokers for clients.

### **REVIEW OF ACCOUNTS**

Mr. Carleton, President, conducts all financial plan reviews. A customized written financial plan is produced and presented to each client, with the exception of hourly consultations, possibly resulting in a written document.

### **CLIENT REFERRALS AND OTHER COMPENSATION**

It is HWM's practice to reward employees for referring clients to the Firm. These employees will receive a portion of the fee for the duration of the relationship.

HWM engages independent solicitors to provide client referrals. If a client is referred to us by a solicitor, this practice is disclosed to the client in writing by the solicitor and HWM pays the solicitor out of its own funds—specifically, HWM generally pays the solicitor a portion of the advisory fees earned for managing the capital of the client or investor that

was referred. The use of solicitors is strictly regulated under applicable federal and state law. HWM's policy is to fully comply with the requirements of Rule 206(4)-3, under the Investment Advisers Act of 1940, as amended, and similar state rules, as applicable.

HWM receives client referrals from Zoe Financial, Inc through its participation in Zoe Advisor Network ("ZAN"). Zoe Financial, Inc is independent of and unaffiliated with HWM and there is no employee relationship between them. Zoe Financial established ZAN as a means of referring individuals and other investors seeking fee-only personal investment management services or financial planning services to independent investment advisors. Zoe Financial does not supervise HWM and has no responsibility for HWM's management of client portfolios or HWM's other advice or services. HWM pays Zoe Financial an on-going fee for each successful client referral. This fee is usually a percentage of the advisory fee that the client pays to HWM ("Solicitation Fee"). HWM will not charge clients referred through ZAN any fees or costs higher than its standard fee schedule offered to its clients. For information regarding additional or other fees paid directly or indirectly to Zoe Financial Inc, please refer to the Zoe Financial Disclosure and Acknowledgement Form.

#### **CUSTODY**

The Firm does not manage accounts in its financial planning role so does not have custody.

#### **INVESTMENT DISCRETION**

The Firm does not manage accounts in its financial planning role so does not have investment discretion.

#### **VOTING CLIENT SECURITIES**

In its financial planning role, the Firm does not vote proxies for clients.

#### **FINANCIAL INFORMATION**

There is no financial condition that is reasonably likely to impair the Firm's ability to meet its contractual commitments to its clients.