

# Equilibria Wealth Management LLC

**Form ADV Part 2A  
Firm Brochure  
March 26, 2022**

This Brochure provides information about the qualifications and business practices of Equilibria Wealth Management. If you have any questions about the contents of this Brochure, please contact us at 432-617-7788, or via email at [mb@equilibriawm.com](mailto:mb@equilibriawm.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.

Equilibria Wealth Management is a registered investment advisory firm. Registration of an investment advisory firm does not imply a particular level of skill or training.

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

## Equilibria Wealth Management

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## **ITEM 2** **Material Changes**

### **Annual Update**

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of our Firm Brochure. This Item discusses only specific material changes made to this Brochure and provides our clients with a summary of such changes.

### **Material Changes since the Last Update**

Since our last filing on December 6, 2021, the following material changes were made to the brochure:

- Item 4 was updated to reflect an ownership change.
- Item 4 was updated to add a description regarding the model portfolios.
- Item 5 was updated to include an additional disclosure regarding our individual client billing.
- Item 8 was updated to include risk disclosure regarding foreign investment, fixed income, commodity trading, and REITs.

### **Full Brochure and Additional Information**

Full Brochure and additional information about Equilibria Wealth Management are available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any persons affiliated with us who are registered or are required to be registered as investment adviser representatives ("IAR").

## ITEM 3 Table of Contents

ITEM 1	Cover Page .....	1
ITEM 2	Material Changes.....	2
ITEM 3	Table of Contents .....	3
ITEM 4	Advisory Business .....	4
ITEM 5	Fees and Compensation.....	5
ITEM 6	Performance-Based Fees and Side-By-Side Management.....	8
ITEM 7	Types of Clients.....	8
ITEM 8	Methods of Analysis, Investment Strategies, and Risk of Loss .....	8
ITEM 9	Disciplinary Information .....	11
ITEM 10	Other Financial Activities and Affiliations .....	11
ITEM 11	Code of Ethics, Participation in Client Transactions and Personal Trading.....	12
ITEM 12	Brokerage Practices .....	13
ITEM 13	Review of Accounts .....	14
ITEM 14	Client Referrals and Other Compensation .....	15
ITEM 15	Custody .....	16
ITEM 16	Investment Discretion .....	16
ITEM 17	Voting Client Securities.....	17
ITEM 18	Financial Information .....	17

**ITEM 4****Advisory Business****FIRM INFORMATION**

Equilibria Wealth Management (“EWM,” “we,” “us,” “our”), an investment advisory firm formed in February 2010, is a registered investment advisory firm located in Katy, TX. We have been a registered investment advisory firm since December 2020.

**PRINCIPAL OWNERS**

In December 2021, Gary Warren is no longer an owner of EWM. EWM is owned and controlled by Mercedes Barker and John Moore. Mercedes Barker is EWM’S CCO and Chief Compliance Officer.

**INVESTMENT ADVISORY SERVICES****Asset Management Services:**

We provide asset management services in which we manage your custodial accounts with the use of several model portfolios and provide you with continuous and ongoing supervision of your custodial accounts. Our services provide additional investment opportunities among stocks, bonds, mutual funds, exchange-traded funds (ETFs), Real Estate Investment Trusts (REITs), options, and additional securities.

***Growth and Income Portfolio (“GANDI”)***

Our Growth and Income Portfolio (GANDI) is based on an asset allocation model as such:

- 30% U.S. Equities
- 30% International Equities
- 10% High-Quality Fixed Income
- 10% High Yield Fixed Income
- 10% Inflation Protection Fixed Income
- 5% Real Estate Investment Trusts (REIT)
- 5% Gold securities

We use research sources for our strategies that have gone through a rigorous screening process for inclusion in the portfolio. These strategies can consist of individual securities, Exchange Traded Funds (ETF), and Mutual Funds. We have further diversification of approximately 25 securities at a 1.2% weighting for our U.S. Equity allocation, and 15 securities at a 2% weighting for the International component. We also apply a trailing stop loss (starting at 25%) on many of these individual securities. The stop loss is based on a closing value. Cash is sometimes considered as a holding at our management discretion. An analysis on sector weightings is also used for further diversification. We anticipate an annual rebalancing back to the original allocation. This portfolio typically has a low turnover rate.

### **Retirement and Savings Portfolio (“RASP”)**

Our Retirement and Savings Portfolio (RASP) utilizes the same overall asset allocation of our GANDI portfolio using only Mutual Funds and Exchange Traded Funds (ETF). It does not utilize individual securities and weightings, but also uses annual rebalancing.

### **Bond Income Ladder (“BILD”)**

Our Bond Income Ladder (BILD) uses individual fixed income securities such as Municipal Bonds, Corporate Bonds, and Certificates of Deposits. The maturities are usually equally divided over a set period of time (typically 5, 10, or 15 years).

### **Financial Planning and Consulting Services:**

We provide various financial planning and consulting services that find ways to help you understand your overall financial situation and help you set financial objectives. We accomplish this by helping you review your financial goals, tax planning strategies, asset allocation, risk management, retirement planning, and other areas and objectives. Generally, such financial planning and consulting services will involve preparing a financial plan or rendering a financial consultation based on your financial goals and objectives. We will summarize our services to you in a written plan, which will typically include general recommendations for a course of action or specific actions to be taken by you. Implementation of the recommendations will be at your discretion. We provide our financial planning and consulting services on a project basis or as an ongoing, comprehensive annual plan.

### **TAILORED INVESTMENT ADVISORY SERVICES AND RESTRICTIONS**

EWM offers the same suite of services to all our clients; however, specific recommendations and their implementation are dependent upon the individual client’s Investment Policy Statement, which outlines a client’s current financial situation such as income, net worth, and risk tolerance levels.

On a case by case basis, our clients can impose restrictions on investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent us from properly servicing the client’s account, or if the restrictions would require us to deviate from our standard suite of services, we reserve the right to end the relationship.

We can request additional information and documentation, such as current investments, tax returns, insurance policies, and estate plan. We will discuss your investment objectives, needs, and goals, but you must inform us of any changes. Unless directed by you, we do not independently verify any information provided to us by you or your attorney, accountant, or other professionals.

### **WRAP FEE PROGRAMS**

EWM does not participate in, recommend, or offer wrap fee programs.

### **ASSETS UNDER MANAGEMENT**

As of December 31, 2021, WM managed \$142,828,564 in assets under management on a discretionary basis only.

## **ITEM 5 Fees and Compensation**

### **ANNUAL FEES FOR ADVISORY SERVICES**

EWM is compensated for providing asset management services by charging a negotiable fee based on the total assets under management. The fees and billing will be pre-determined in writing in the Investment Advisory Agreement executed by you and EWM.

The fees charged for financial planning services are negotiable and vary depending on the complexity of the process undertaken, the types of issues addressed, the scope of services provided, and the frequency with which the services are rendered. All fees are agreed upon before entering into the Financial Planning and Consulting Agreement you sign.

The below ranges are the standard fee ranges that are typically charged. We reserve the right to waive the agreed-upon financial planning fees if you engage our asset management services.

Asset Management Fee Schedule	
All Assets	0.50% - 2.8%

Financial Planning and Consulting Fee Schedule	
Hourly	\$100-\$400

## **FEE BILLING & PAYMENT**

Our asset management fees are annual fees and are negotiable. Fees are established for each individual client based on the individual circumstances of the client and EWM can charge any client a different asset management fee, at its sole discretion. Asset management fees are paid quarterly in advance. Payments are due on the first day of the calendar quarter and are based on the account's asset value as of the last business day of the prior calendar quarter multiplied by the applicable annual rate and divided by four (4). The fee for the subsequent quarter is billed and payable within ten (10) days after the end of the prior quarter. We will deduct our asset management fee only when in receipt of your written authorization by executing an investment advisory agreement permitting the fees to be paid directly from your account. We will send a copy of your invoice to the custodian at the same time that we send a copy to you.

The qualified custodian will deliver an account statement to you at least quarterly, which will show all disbursements from your account. We urge you to review all statements for accuracy. Your account at the custodian can also be charged for certain additional assets managed for you by us but not held by the custodian (i.e., variable annuities, mutual funds, 401(k)s).

Financial planning and consulting fees can be assessed on an hourly basis or as an annual fee payable either monthly or quarterly. An estimate for total hours will be determined at the start of the relationship. Hourly fees will be invoiced upon completion of the financial plan or the rendering of consulting services with a thirty (30) day written notice. For one-time projects, the Client agrees to pay one half of the total fee upon signing the Financial Planning and Consulting Agreement and the remaining fee upon delivery of the plan. Financial planning and consulting fees are paid via check or by direct invoicing via an electronic payment processor.

In TPMM accounts, the adviser deducts the advisory fee from the client's account and will forward a portion of the fee to our firm. We urge our clients to refer to the selected TPMM's disclosure

documents for exact fees and expenses charged by each such TPMM, as well as minimum account requirements, refund, and termination provisions. A complete description of each program can be found in disclosure materials prepared by the TPMM, which we will provide to the client at the time we recommend the program.

You are responsible for all third-party fees (i.e., custodian fees, mutual fund fees, transaction fees, etc.). These fees are separate and distinct from the fees and expenses charged by EWM.

## **TERMINATION OF AGREEMENT**

Either party can terminate the investment advisory agreement by providing 30-day advance written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable up to and including the effective date of termination.

Notwithstanding the above, if we do not deliver the appropriate disclosure statement to you at least 48 hours prior to you entering into any written or oral advisory contract with us, then you have the right to terminate the contract without penalty within five (5) business days after entering into the contract.

## **OTHER EXPENSES AND FEES**

The fees discussed above include payment solely for the investment advisory services provided by us and are separate from certain fees or charges that are imposed by third parties in connection with investments made on your behalf for your account. Third-party fees can include markdowns, markups, brokerage commissions, other transaction costs, fees for trades executed away from the custodian, and/or custodial fees.

All fees paid to us for asset management services are separate from the expenses charged by exchange-traded funds and mutual funds to their shareholders. These fees and expenses will be used to pay management fees for the funds, other fund expenses, account administration, and a possible distribution fee. Exchanged traded funds and mutual funds can be invested in directly by you without our services. However, you would not receive our services to assist you in determining which products or services are most suitable for your financial situation and objectives. You should review both the fees we charge and the fees charged by the fund(s) to understand the total fees to be paid fully.

## **OTHER COMPENSATION**

Certain of our associated persons are also licensed insurance agents. In this capacity, the IARs can recommend insurance, advisory, or other products and receive normal insurance commissions if products are purchased through the IAR(s) in this capacity. Thus, a conflict of interest exists between the interests of these individuals and those of the advisory clients, creating an incentive for the IAR(s) to recommend products based on the compensation received rather than on a client's needs. However, clients are under no obligation to act upon any of these recommendations. Although our recommendations can include products offered by third parties, these recommendations are not limited to such products as all financial planning advice provided is of a generic nature. Clients have the option to purchase insurance products recommended by the IAR through other agents not affiliated with our firm. Please refer to Item 10 of this Brochure for a more detailed explanation of how our firm handles and mitigates these conflicts of interest.

## ITEM 6 Performance-Based Fees and Side-By-Side Management

We do not charge any performance-based fees, which are fees based on a share of capital gains on or capital appreciation of your assets.

## ITEM 7 Types of Clients

We provide our investment advisory services to:

- Individuals
- High Net Worth Individuals
- Estates or charitable organizations
- Corporations
- Other business entities

We do not have a minimum account size for our asset management services.

## ITEM 8 Methods of Analysis, Investment Strategies, and Risk of Loss

### METHODS OF ANALYSIS

We use various methods of analysis and investment strategies, including the following:

**Charting** - This is a type of technical analysis where we review various charts of market and security activity in an attempt to identify when the market is moving up or down and predicting how long trends last and when that trends might reverse.

**Fundamental Analysis** – We evaluate economic and financial factors to determine if a security is underpriced, overpriced, or fairly priced. This method entails assessing a security by attempting to determine its intrinsic value by examining related financial, economic, and other qualitative and quantitative factors. Fundamental analysis requires an in-depth look at all factors that can affect the security's value, from macroeconomic factors (like the overall economy and industry conditions) to individually specific factors (like the financial situation and management of companies). The overall objective of performing the fundamental analysis is to determine a value that an investor can use to determine what sort of position to take with that security. This method of security analysis is contrary to technical analysis. Fundamental analysis involves using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock. Therefore, unforeseen market conditions and/or company developments can result in significant price fluctuations that can lead to investor losses.



**Technical Analysis** – This method involves the evaluation of securities by performing an analysis of static information that is generated by market activity, such as past prices and volume. Technical analysis does not attempt to measure a security's intrinsic value but instead uses charts and other tools to determine the patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

A substantial risk in relying upon technical analysis is that spotting historical trends does not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that we will be able to accurately predict such a reoccurrence.

**Modern Portfolio Theory** - Modern portfolio theory (MPT) is a risk-averse theory that involves the construction of portfolios to maximize and optimize expected return based on a given level of market risk, emphasizing that risk is an inherent part of higher reward. According to the theory, it's possible to construct an "efficient frontier" of optimal portfolios offering the maximum possible expected return for a given level of risk.

MPT tries to understand the market as a whole and measure market risk in an attempt to reduce the inherent risks of investing in the market. However, with every financial investment strategy, there is a risk of a loss of principal. Not every investment decision will be profitable, and there can be no guarantee of any level of performance.

## INVESTMENT STRATEGIES

When formulating investment advice or managing client assets, we will use the following investment strategies. There are inherent risks associated with each of these strategies.

**Long-Term Strategy** - A long-term strategy does not take advantage of short-term gains or experience more volatility over the life of the portfolio.

**Short-Term Strategy** - A short-term strategy can incur more trading and brokerage costs and runs the risk that certain anticipated market movements do not occur, resulting in the client holding a security for longer than intended.

Your accounts are managed separately with your underlying investment strategies, restrictions, or investment limitations defined within the investment management agreement.

## POTENTIAL RISKS

Investing involves different levels of risk that can result in the loss of any profits and/or principal you have not realized. We manage your account in a manner consistent with your pre-determined risk tolerance and suitability profile. However, we cannot guarantee that our efforts will be successful. Investing in securities involves the risk of loss clients should be prepared to bear.

**Investing involves the assumption of risk, including:**

**Financial Risk:** which is the risk that the companies we recommend to you perform poorly, which affect the price of your investment.

**Market Risk:** which is the risk that the stock market will decline, decreasing the value of the securities we recommend to you with it.

**Inflation Risk:** which is the risk that the rate of price increases in the economy deteriorates the returns associated with the stock.

**Political and Governmental Risk:** which is the risk that the value of your investment will be affected by the introduction of new laws or regulations.

**Interest Rate Risk:** which is the risk that the value of the investments we recommend to you will fall if interest rates rise.

**Call Risk:** which is the risk that your investment will be called or purchased back from you when conditions are favorable to the bond issuer and unfavorable to you.

**Default Risk:** which is the risk that the issuer is unable to pay the contractual interest or principal on the investment promptly or at all.

**Manager Risk:** which is the risk that an actively managed mutual fund's investment adviser will fail to execute the fund's stated investment strategy.

**Industry Risk:** which is the risk that a group of stocks in a single industry will decline in price due to adverse developments in that industry, decreasing the value of mutual funds that are significantly invested in that industry.

**Foreign Investment Risk:** Investments involve the investment in non-U.S. securities and other instruments denominated in non-U.S. currencies and/or securities traded outside of the United States. These investments present certain risks not typically associated with investing in United States securities or property. These risks include unfavorable currency exchange rate developments, restrictions on repatriation of investment income and capital, imposition of exchange control regulation by the United States or foreign governments, confiscatory taxation and economic or political instability in foreign nations. In addition, there is typically less publicly available information about certain non-U.S. companies than would be the case for comparable companies in the United States, and certain non-U.S. Companies are not subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S. companies. These risks are accentuated in emerging markets, where financial markets are generally less developed and transparent and where political and economic instabilities are often more pronounced.

**Fixed Income Risk:** Investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment-grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds can be the best-known securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation-linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Commodity Trading Risk:** Investments in commodities trading were the prices of commodities and all derivative instruments, including futures and options contract prices, are highly volatile. Price movements of commodities, futures, and options contracts are influenced by, among other things, changing supply and demand relationships, domestic and foreign governmental programs and policies, national and international political and economic events, interest rates and governmental monetary and exchange control programs and policies. Moreover, certain commodity exchanges limit fluctuations in commodity futures contract prices during a single day by regulations referred to as

“daily price fluctuation limits” or “daily limits.” During a single trading day, no trades can be executed on these exchanges at prices beyond the daily limit. Commodity futures contract prices have occasionally moved the daily limit for several consecutive days with little trading. Similar occurrences could prevent an account from promptly liquidating unfavorable positions and subject the client account to substantial losses.

**Real Estate Investment Trust (“REITs”) Risk:** Entities that we elect to establish as a REIT do not pay federal income taxes if they meet the requirements to qualify as a REIT. REITs are permitted or required to be part of the structure of certain Clients, which subjects those Clients to REIT-related risks. REITs depend generally on their ability to generate cash flow to make distributions to shareholders. If any REIT were to fail to qualify as a REIT in any taxable year, it would have adverse tax consequences, creating a risk that an Investment in that REIT could perform negatively. In addition, the performance of a REIT could be affected by changes in the tax laws or by its failure to qualify for tax-free pass-through of income.

## ITEM 9

### Disciplinary Information

As of the date of this brochure, we have not been subject to any disciplinary, legal, or regulatory events related to past or present investment clients. There has been no disciplinary, legal, or regulatory events related to us or any of our management persons.

## ITEM 10

### Other Financial Activities and Affiliations

#### FINANCIAL INDUSTRY ACTIVITIES

Neither EWM nor its management persons are registered or has an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

Neither EWM nor its management persons are registered or has an application pending to register as a futures commission merchant, commodity pool operator, or commodity trading advisor.

#### AFFILIATIONS

Certain associates of the firm are also insurance agents licensed to sell insurance products. A conflict of interest exists in that these services pay a commission, which conflicts with the IAR’s fiduciary duties. EWM does not require its IARs to encourage clients to implement investment advice through our insurance product recommendations. Clients have the right to implement insurance product recommendations through the insurance agency and agent of their choice. We require that all IARs disclose this conflict of interest when such recommendations are made. We also require IARs to disclose that the client has the right to purchase recommended products from individuals not affiliated with us.

#### SELECTION OF OTHER INVESTMENT ADVISERS

We can recommend or select TPMMs for our clients and receive compensation from the third-party via a fee share; thus, a material conflict of interest exists between our interests, and those of our clients in that EWM has an incentive to direct clients to TPMMs that provide us with a larger fee split. EWM will always act in the best interest of our clients when making recommendations or selecting TPMMs. The client always has the right to decide whether to act on our recommendations and

whether to utilize the services of the recommended TPMM. The client always has the right to utilize the professional of his or her choice. All TPMMs will be properly licensed and registered as investment advisers in the proper jurisdictions. The fees shared will not exceed any limit imposed by any regulatory agency.

## **ITEM 11** **Code of Ethics, Participation in Client Transactions and Personal Trading**

### **CODE OF ETHICS**

EWM has developed a code of ethics that will apply to all of our supervised persons. We and our IARs must act in a fiduciary capacity when providing investment advisory services to you. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. EWM has a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle of our code of ethics, which also covers our insider trading and personal securities transactions policies and procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will acknowledge that they have read, understand, and agree to comply with our Code of Ethics.

Our Code of Ethics is available to clients and prospective clients upon request.

### **RECOMMENDATIONS INVOLVING A MATERIAL FINANCIAL INTEREST**

Neither we nor any related person recommend to clients or buys or sells for clients' accounts securities in which we or a related person has a material financial interest.

### **PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS**

There are instances where an IAR will recommend to investment advisory clients or prospective clients the purchase or sale of securities in which an IAR, its affiliates, or other clients can also have a position or interest. Certain affiliated accounts can trade in the same securities with client accounts on an aggregated basis. Generally, in such circumstances, the affiliated and client accounts will share execution costs equally. Completed trade orders will be allocated according to the instructions from the initial trade order. Partially filled trade orders will be allocated on a pro-rata basis. Any exceptions will be explained in the trade order.

### **PERSONAL TRADING**

Employees are permitted to have personal securities accounts as long as personal investing practices are in line with fiduciary standards and regulatory requirements and do not conflict with their duty to EWM and our clients. EWM monitors and controls personal trading through pre-approval of all personal securities transactions or blackout periods imposed upon employees trading in the same securities as EWM. We forbid any officer or employee, either personally or on behalf of others, to trade on material, nonpublic information, or communicate such information to others in violation of the law.

## **ITEM 12** Brokerage Practices

EWM currently has arrangements with Charles Schwab Corporation (“Schwab”). Schwab is the unaffiliated qualified custodian whereby EWM would suggest you custody your accounts. Schwab is an independent SEC-registered broker-dealer and a member of FINRA and SIPC.

As a fiduciary, we are obligated to seek out the best execution of client transactions for accounts that we manage. In general, the execution of securities transactions is at a total cost to process each transaction and are the most favorable under the circumstances. However, we do not limit the best execution to the lowest available price. Additional factors are taken into consideration when determining the arrangement and services in the selection of a broker-dealer or qualified custodian. Our review consists of reviewing the commission and fee structures of various broker-dealers, research platforms, and execution services. Accordingly, while we consider competitive rates, we do not necessarily obtain the lowest possible commission rates for account transactions. Therefore, the overall services provided by unaffiliated broker-dealers and qualified custodians are evaluated to determine the best execution. You can pay trade execution charges and higher commissions through the trading platforms approved by us than through platforms that have not been approved by us.

### **RESEARCH AND OTHER BENEFITS**

#### **Products & Services Available to Us from Schwab**

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab’s business serving independent investment advisory firms like ours. They provide us and our clients with access to its institutional brokerage – trading, custody, reporting, and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients’ accounts, while others help us manage and grow our business. Schwab’s support services are generally available on an unsolicited basis and at no charge to us as long as we maintain a total of at least \$10 million of our clients’ assets in accounts at Schwab.

#### **Services that Benefit Client**

Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access, or that would require a significantly higher minimum initial investment by our clients. Schwab’s services described in this paragraph generally benefit clients or their account(s).

#### **Services that May Not Directly Benefit Clients**

Schwab also makes available to us other products and services that benefit us but can not directly benefit the client or their account(s). These products and services assist us in managing and administering our clients’ accounts. They include investment research, both Schwab’s own and that of third parties. We can use this research to service all or some substantial number of our clients’ accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provides access to client account data (such as duplicate trade confirmations and account statements);
- facilitates trade execution and allocate aggregated trade orders for multiple client accounts;

- provides pricing and other market data;
- facilitates payment of our fees from our clients' accounts; and
- assists with back-office functions, recordkeeping, and client reporting.

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants, and insurance providers.

Schwab can provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab can also discount or waive its fees for some of these services or pay all or a part of a third party's fees.

Irrespective of direct or indirect benefits to our client through Schwab, we strive to enhance the client's experience, help reach their goals and put their interests before that of our firm or its associated persons.

## **BROKERAGE FOR CLIENT REFERRALS**

We do not receive client referrals from broker-dealers.

## **DIRECTED BROKERAGE**

We do not recommend, request, require, or permit clients to direct us to executed transactions through a specific broker-dealer other than those we recommend.

## **TRADE AGGREGATION**

We attempt to allocate trade executions in the most equitable manner possible, taking into consideration current asset allocation and availability of funds using price averaging, proration, and consistently non-arbitrary methods of allocation. We have the ability aggregate orders in order to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among our clients' differences in prices and commission or other transaction costs. In aggregated orders, transactions will be price-averaged and allocated among our clients in proportion to the purchase and sale orders placed for each client account on any given day.

# **ITEM 13 Review of Accounts**

## **PERIODIC REVIEWS**

We review asset management accounts no less than annually. These accounts will be reviewed by Mercedes Barker, CCO. Accounts are reviewed to evaluate asset allocation, investment strategy and objectives, cash balance, and performance, as well as the general economic outlook and current investment trends.



Financial plans created utilizing our ongoing financial planning services will be reviewed monthly or quarterly by Mercedes Barker, CCO. Project-based financial planning clients are provided a one-time plan or consulting session and receive no additional reviews unless a new financial planning and consulting agreement is executed.

### **REVIEW TRIGGERS**

We conduct periodic reviews to evaluate the current market, economic and political events and how these can affect client accounts. Additional reviews can be triggered by these events or by events in the client's financial or personal status.

### **REGULAR REPORTS**

Asset management clients will receive advisory account reports no less than quarterly. These reports show asset value by cash balances, security, unit cost, total cost, current per share values, etc. Clients are urged to review the quarterly reports provided by us with those provided by their custodian and notify us of any differences. Clients are encouraged to phone or email us as often as they deem necessary to receive information regarding the investment tactics and strategies being followed.

Financial plans created utilizing our ongoing financial planning services will receive status updates and/or reports during their plan reviews. Project-based financial planning and consulting clients are provided a one-time written financial plan concerning their financial situation. After the presentation of the plan, there are no further reports.

## **ITEM 14 Client Referrals and Other Compensation**

FOR TPMM - While we do not have any current arrangements with any TPMMs, at such time that we do, we will receive compensation based on the service they provide to our clients. Any such compensation arrangement will be formalized in an agreement and disclosed to our clients.

EWM can recommend/require that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. ("Schwab"), a registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. The final decision to custody assets with Schwab is at the discretion of the Advisor's clients, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. EWM is independently owned and operated and not affiliated with Schwab. Schwab provides EWM with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the Advisor's clients' assets are maintained in accounts at Schwab Advisor Services. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses, and reports and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For EWM client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to EWM other products and services that benefit EWM but can not benefit its clients' accounts. . These benefits can include national, regional, or EWM specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits can include occasional business entertainment of personnel of EWM by Schwab Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which can accompany educational opportunities. Other of these products and services assist EWM in managing and administering clients' accounts. These include software and other technology (and related technological training) 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 EWM's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally can be used to service all or some substantial number of EWM's accounts, including accounts not maintained at Schwab Advisor Services. Schwab Advisor Services also makes available to EWM other services intended to help EWM manage and further develop its business enterprise. These services can include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance, and marketing. In addition, Schwab can make available, arrange, and/or pay vendors for these types of services rendered to EWM by independent third parties. Schwab Advisor Services can 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 EWM. While, as a fiduciary, EWM endeavors to act in its clients' best interests, EWM's recommendation/requirement that clients maintain their assets in accounts at Schwab can be based in part on the benefit to EWM of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which can create a potential conflict of interest.

## **ITEM 15** Custody

We are deemed to have custody of client funds and securities due to our ability to deduct management fees from clients' accounts. We will not take physical custody of clients' funds and will not assign or transfer trading authorization to another advisor. Clients will receive account statements from the qualified custodian(s) holding their funds and securities at least quarterly. The custodian's account statements will indicate the amount of our advisory fees deducted from the clients' account(s) each billing period. These statements should be carefully reviewed by the client for accuracy. Item 5 – Fees and Compensation has additional information regarding our ability to deduct management fees from clients' accounts.

## **ITEM 16** Investment Discretion

### **DISCRETIONARY AUTHORITY FOR TRADING**

If you are participating in our asset management services, upon receiving your written authorization via our executed investment advisory agreement, we will maintain trading authorization over your designated account and implement trades on a discretionary basis.



When discretionary authority is granted, we will have the limited authority to determine the type of securities to be purchased, sold, or exchanged and a number of securities that can be bought, sold, or exchanged for your portfolio without obtaining your consent for each transaction.

If you do not grant this limited investment discretion, your IAR will be required to contact you and get affirmation regarding our investment recommendations, such as the security being recommended, the number of shares, whether the security should be bought or sold before implementing changes in your account.

Once the above factors are agreed upon, we will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis, it is critical that you respond promptly. If we do not receive a response to our request immediately, the timing of trade implementation can lead to an adverse impact where we can not achieve the optimal trading price.

On a case by case basis, you can place reasonable restrictions on the types of investments that can be purchased or sold in your account so long as the restrictions are explicitly set forth or included as an attachment to the investment advisory agreement.

## **ITEM 17** **Voting Client Securities**

We do not have the authority to vote proxies as it pertains to the issuers of securities held in your account. The responsibility for voting your securities places increased liability to us and does not add enough value to the services provided to you to justify the additional compliance and regulatory costs associated with voting your securities.

Therefore, you are responsible for voting all proxies for securities held in accounts managed by us. Typically, our qualified custodian will forward you your proxy information. Although we do not vote your proxies, you can contact us if you have a question about a particular proxy.

## **ITEM 18** **Financial Information**

We are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to our clients.

We are currently not in, nor have been historically in a financially precarious situation or the subject of a bankruptcy petition.

The Client acknowledges receipt of EWM's Form CRS and Form ADV Part 2A.

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Client's Signature

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Date