

Texas Wealth Management, LLC

Brochure

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This brochure provides information about the qualifications and business practices of Texas Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at (281) 333-3800 or info@texaswealthmanagement.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 Texas Wealth Management, LLC is also available on the SEC's website at www.adviserinfo.sec.gov and can be searched using the firm's CRD # 285898.

References herein to Texas Wealth Management, LLC as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

Item 2 Material Changes

There have been no material changes since Texas Wealth Management, LLC's last ADV Annual Amendment filing.

Texas Wealth Management, LLC's brochure will be amended anytime there is a material change and this section will include a summary of any material changes.

Texas Wealth Management, LLC is registered in Texas, Louisiana, Colorado, Florida and Washington.

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Item 4 **Advisory Business**

- A. Texas Wealth Management, LLC (“TWM”) is a limited liability company formed on July 1, 2016 in the state of Texas and became a registered investment advisory firm in Texas in February 2017. TWM is principally owned by Michael William Hesse, CFP, CLU, ChFC. TWM was created to replace Texas Wealth Management, Inc. which had been in operation since April 1982.
- B. TWM provides personal financial planning consistent with the individual client's financial and tax status and risk/reward objectives. TWM does not provide investment management services. TWM offers a one-hour complimentary meeting to provide prospective clients an overview of TWM and to discuss personal financial goals.

Investment advice is an integral part of financial planning. TWM often provides non-securities advice on topics which may include:

- Wealth Accumulation and goal setting: Analysis of the client's current financial resources and obligations, with recommendations on how to improve the client's overall financial standing. Strategies and recommendations to reach specific financial goals.
- Risk tolerance analysis and insurance planning: A risk management review includes an analysis of your exposure to major risks that could have a significant adverse impact on your financial picture, such as premature death, disability, property and casualty losses, of the need for long-term care planning. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance (“self-insuring”).
- Cash flow/budgeting planning: A review of your income and expenses will be conducted to determine your current surplus or deficit. Based upon the results, we will provide advice on prioritizing how any surplus should be used, or how to reduce expenses if they exceed your income. In addition, advice on the prioritization of which debts to repay may be provided, based upon such factors as the debt's interest rate and any income tax ramifications. Recommendations may also be made regarding the appropriate level of cash reserves for emergencies and other financial goals. These recommendations are based upon a review of cash accounts (such as money market funds) for such reserves may include strategies to save desired reserve amounts.
- Retirement planning: Retirement planning services typically include projections of your likelihood of achieving your financial goals, with financial independence usually the primary objective. For situations where projections show less than the desired results, a recommendation may include showing you the impact on those projections by making changes in certain variables (i.e., working longer, saving more, spending less, taking more risk with investments). If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.
- Retirement Plan Analysis: A review is conducted and analysis is made as to whether you, as an employee, are taking maximum advantage of your employee benefits. We will also offer advice on your employer-sponsored retirement plan and/or stock options, along with other benefits that may be available to you.

- Estate planning: Our review typically includes and analysis of your exposure to estate taxes and your current estate plan, which may include whether you have a will, powers of attorney, trusts and other related documents. We may assess ways to minimize or avoid future estate taxes by implementing appropriate estate planning strategies such as the use of applicable trusts. We generally recommend that you consult with a qualified attorney when you initiate, update, or complete estate planning activities. We may provide you with contact information for attorneys who specialize in estate planning when you wish to hire an attorney for such purposes. From time-to-time, we will participate in meetings or phone calls between you and your attorney with your prior approval.
- Investment/Portfolio analysis: Analysis of current and alternative investments and costs, examining potential long term effects, recommending appropriate options, allocations and/or other adjustments.
- Education funding planning: Advice involving college funding may include projecting the amount that will be needed to achieve post-secondary education funding goals, along with savings strategies and the “pros-and-cons” of various college savings vehicles that are available.
- Tax planning: Advice may include ways to minimize current and future income taxes as part of your overall financial planning picture. For example, recommendations may be offered as to which type of account(s) or specific investments should be owned based in part of their “tax efficiency,” with consideration that there is always a possibility of future changes to federal, state or local laws and rates that may impact your situation.

Although TWM’s only business is to provide financial planning services, the Managing Member of TWM, Michael Hesse, CFP, CLU, ChFC, may execute the purchase and sale of securities, through a broker-dealer and investment advisory firm of which he is a Registered Representative, Registered Principal and Investment Advisor Representative. Likewise, he may act as an independent agent for a number of insurance companies.

TWM often recommends the purchase and sale of securities as part of a financial plan. Clients are normally referred to Osaic Wealth, Inc. (“Osaic Wealth”) an SEC registered investment advisory firm and FINRA member broker-dealer, and customarily, a significant amount of the securities trades effectuated by clients of TWM will be made through Osaic Wealth.

The use of Osaic Wealth may limit the type and number of securities products available to advisory clients to those screened and available through Osaic Wealth or to those traded on an established exchange or market. However, many of the recommended securities are also often held in client accounts not affiliated with Osaic Wealth, such as in a clients’ 401K or other employee sponsored retirement plan.

When purchases or sales of securities are executed through Osaic Wealth, Michael Hesse may earn commissions in his capacity as a Registered Representative of Osaic Wealth or fees in his capacity as an Investment Advisor Representative of Osaic Wealth. When purchases or sales of securities are executed through Osaic Wealth this arrangement is disclosed to clients and clients are aware that Michael Hesse is acting as an Investment Advisor Representative of Osaic Wealth and/or as a Registered Representative of Osaic Wealth when executing any such trade. Please see Item 10 for more information regarding the affiliation with Osaic Wealth and the conflict of interests.

FINANCIAL PLANNING AND CONSULTING SERVICES

TWM provides its clients with financial planning and consultation services. Prior to engaging TWM to provide financial planning and/or consultation services, the client will be required to enter into a *Financial Planning and Consulting Agreement* with TWM setting forth the terms and conditions of the engagement, and describing the scope of the services to be provided.

TWM recommends and invites clients to meet at least annually for the purpose of reviewing and updating TWM's previous recommendations and/or services. In performing its services, TWM will not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely on the provided information. Moreover, each client is advised that it remains their responsibility to promptly notify TWM if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising TWM's previous recommendations or services. Neither TWM nor its investment adviser representatives assist clients with the implementation of any financial plan, unless they have agreed to do so in writing.

TWM may recommend the services of other professionals for implementation purposes, including certain related persons of TWM, in their separate individual capacities as registered Investment Advisor Representatives or Registered Representatives of Osaic Wealth, an SEC registered investment advisory firm and FINRA member broker-dealer. TWM may also recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), including certain of TWM's related persons in their separate registered and licensed capacities. Neither TWM, nor any of its representatives, serves as an attorney or accountant, and no portion of TWM's services should be construed as legal or accounting services. Accordingly, TWM does not prepare estate planning documents. If the client engages any professional (i.e. attorney, accountant, insurance agent, etc.), recommended or otherwise, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from the engaged professional. The client is under no obligation to engage those professionals. The client always has the right to decide whether to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and always has the right to accept or reject any recommendation from TWM. At all times, the engaged licensed professional(s) (i.e. attorney, accountant, insurance agent, etc.), and not TWM, shall be responsible for the quality and competency of the non-advisory services provided or the competency of the services provided by this third party. As an investment advisor registered under the Securities Act of Washington and other applicable federal and state securities law, TWM has a fiduciary duty to act in the best interest of the client. In addition, TWM does not monitor a client's financial plan, and it is the client's responsibility to revisit the financial plan with the TWM, if desired.

A copy of this Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Financial Planning and Consulting Agreement*.

- C. TWM shall provide advisory services specific to the needs of each client. In the course of financial planning services an investment adviser representative will ascertain each client's investment objective(s). Thereafter, TWM shall make recommendations to the client on the allocation of their investment assets consistent with the determined investment objective(s).
- D. TWM does not participate in a wrap fee program.

- E. TWM does **not** manage client portfolios, therefore TWM does not provide advisory services on a discretionary or a non-discretionary basis.

Item 5 Fees and Compensation

A.

FINANCIAL PLANNING AND CONSULTING SERVICES

TWM provides its clients with financial planning and consultation services. TWM's financial planning and consulting fees are negotiable, but generally range from \$170 to \$75 on an hourly basis, depending upon the level and scope of the services required and the professional rendering the service(s). Meetings with Michael Hesse are charged at the rate of \$170 an hour. Meetings with Salvador Elizondo are charged at \$150 an hour, respectively. Additional services provided outside of a meeting may be charged at \$75 an hour. TWM, in its sole discretion, may charge lesser fees based upon certain criteria. (i.e. anticipated future earning capacity, related accounts, negotiations with client, etc.) In all instances, TWM will send its clients a written invoice, including the hourly fee, the formula used to calculate the fee, the fee calculation itself and the time period covered by the fee. Fees must be paid in the form of a check.

- B. TWM typically bills monthly as services are rendered. Fees are for particular services rendered and are billed in arrears by mailing an invoice to the client. Because bills are rendered after the service has been performed, there are no provisions for refund. TWM's advisory services may be terminated at the client's or at TWM's discretion at any time. If the client terminates mid-month, TWM is owed any earned and unpaid fees.
- C. TWM does not require any of its financial planning or consulting fees be paid in advance. The *Financial Planning and Consulting Agreement* between TWM and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Financial Planning and Consulting Agreement*. If a client does not receive TWM's brochure at least 48 hours prior to entering into an investment advisory agreement, the client has the right to terminate the contract without penalty within five business days after entering into the contract. If a client terminates their relationship with TWM before the client's written financial plan or analysis is finished, TWM will deliver its completed portions of any documents to the client.
- D. TWM's services are limited to that of providing financial planning and consulting services to its clients. However, clients should note that broker-dealer/custodians charge brokerage commissions and/or transaction fees for effecting securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for certain individual equity and fixed income securities transactions). Alternatively, a fee based relationship may be instituted between another registered investment advisor, such as Osaic Wealth, and a TWM client. In this instance, the client may not pay brokerage commissions, but rather a quarterly fee which is determined as a percentage of assets under management. Clients will incur such charges in addition to TWM's financial planning and consulting fee. Furthermore, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). Advisory fees are not reduced to offset any commissions received by the advisory representative acting as a registered representative of Osaic Wealth Securities.
- E. TWM's Advisory Representatives, Michael Hesse and Salvador Elizondo are also Registered Representatives and Registered Investment Advisor Representatives of Osaic Wealth, an SEC registered investment advisory firm and FINRA member broker-dealer. You may choose to implement your financial plan through your advisory representative in conjunction with his association with Osaic Wealth. If you chose to do so, your advisory representative may earn

commissions in their capacity as a Registered Representatives of Osaic Wealth and/or advisory fees in their capacity as an Investment Advisor Representatives of Osaic Wealth, in addition to any fees you pay us for preparing your financial plan. Depending on the investment products you purchase, your advisory representative may receive other compensation. For example, if you purchase mutual funds, your advisory representative may receive “12b-1 fees,” and/or commissions in their capacity as a Registered Representative of Osaic Wealth. Michael Hesse is also licensed with various insurance companies to sell a variety of insurance products. As such, your advisory representative, Michael Hesse, may receive commissions in conjunction with your purchase of those insurance products.

The fact that we may be compensated for implementing your financial plan presents a conflict of interest because it creates an incentive for us to make recommendations based upon the amount of compensation we would receive rather than based upon your specific needs and objectives.

Should you choose to implement your financial plan through your advisory representative and Osaic Wealth, we will disclose to you specific costs associated with any investments we recommend at your request. When purchases and sales of securities are executed through Osaic Wealth, this arrangement is disclosed to clients and clients are aware that Michael Hesse is acting in his capacity as an Investment Advisor Representative of Osaic Wealth receiving a portion of any fees paid by Osaic Wealth and/or in his capacity as a Registered Representative of Osaic Wealth receiving a portion of any commissions paid by Osaic Wealth.

For more details on this arrangement and the conflicts of interest that it creates, please see Item 10 below.

Please be aware you always have the right to decide whether or not to implement the recommendations we make to your financial plan and if you do decide to implement any of our recommendations you always have the right to decide the professional to do so.

TWM’s Chief Compliance Officer, Catherine Hesse, J.D., remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

Item 6 Performance-Based Fees and Side-by-Side Management

Neither TWM nor any supervised person of TWM accepts performance-based fees and therefore TWM does not engage in side-by-side management.

Item 7 Types of Clients

TWM’s clients shall generally include individuals, pension and profit sharing plans, business entities, trusts, estates and charitable organizations. The majority of TWM’s clients tend to be retirees, surviving spouses, business owners, and other high net worth individuals.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

- A. TWM’s primary investment strategy is purchasing investments for the long term. We take a three to five year view with decisions based primarily on fundamental analysis, with an overlay

and appreciation of historical market cycles, integrating various risk probabilities into our outlook. Technical analysis can be helpful to estimate the proximity of potential significant market turns. Every method of analysis has its own inherent risks. To perform an accurate market analysis TWM must have access to current/new market information. TWM has no control over the dissemination rate of market information; therefore, unbeknownst to the TWM, certain analyses may be compiled with outdated market information, severely limiting the value of TWM's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities. Every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

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

Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

- B. Different types of investments involve varying degrees of risk. It should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by TWM) will always be profitable or will equal any specific performance level(s). Clients should be prepared to bear the risk of loss when investing in securities. All investments bear the risk of loss, including (but not limited to) loss of principal, a reduction of earnings (including: interest, dividends, and other distributions), and the loss of future earnings and/or purchasing power.

Item 9 Disciplinary Information

TWM has not been the subject of any legal or disciplinary events.

Item 10 Other Financial Industry Activities and Affiliations

- A. **Representative of Osaic Wealth.** As explained above in “Fees and Compensation”, certain of TWM’s related persons are also Registered Representatives and/or Investment Advisor Representatives of Osaic Wealth, a FINRA member broker-dealer and SEC registered investment advisory firm.
- B. Neither TWM, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. **Registered Representatives/Investment Adviser Representatives of Osaic Wealth and Insurance.** As explained under “Fees and Compensation,” TWM’s advisory representatives may also be Registered Representatives or Investment Advisor Representatives of Osaic Wealth and agents of various life insurance companies. As such, your advisory representative may receive compensation should you choose to implement your financial plan through him/her. These arrangements present a conflict of interest because they create an incentive to make recommendations based upon the amount of compensation your advisory representative can receive rather than based upon your needs. As previously, noted, we will explain the specific costs associated with any recommended investments with you upon request. In making any brokerage or insurance recommendations we will always act in your best interests.

On various occasions, as a registered principal of Osaic Wealth, TWM’s Managing Member Michael Hesse has personally been offered by Osaic Wealth and has accepted conditional, forgivable loans as an incentive to develop new business and to expand his relationship with the broker dealer. For clarity purposes these loans have not been made to TWM. In order for such personal loans to be forgiven by Osaic Wealth over a period of years, Mr. Hesse is required to maintain his securities license in good standing in the industry, make any required note payments to Osaic Wealth in a timely manner, not become insolvent or declare bankruptcy, and remain affiliated with Osaic Wealth without cause for termination throughout the duration of the term for each note. These forgivable loan agreements provide Mr. Hesse with an incentive to remain affiliated with Osaic Wealth for the specified number of years, which is deemed a conflict of interest for his clients. However, to help mitigate this conflict of interest, Mr. Hesse conducts regular reviews of his relationship with Osaic Wealth in light of changing financial industry conditions which could impact his clients’ best interests. He is free to terminate his affiliation with Osaic Wealth at any time and immediately repay any remaining note balances due plus any accrued interest. Mr. Hesse has been affiliated with Osaic Wealth since 1982, yet he maintains adequate liquid funds in order to repay any outstanding note balances in the event he should choose to terminate his affiliation with Osaic Wealth in the future.

Please be aware the client always has the right to decide whether to purchase products or services recommended by us or members of our Firm in connection with providing you with any

advisory service that we offer and the right to choose the professional to implement these recommendations.

Information about your advisory representative's financial industry activities and affiliations is disclosed in the advisory representative's Supplement which you will receive with this brochure. Additional information about your advisory representative is also available at www.advisorinfo.sec.gov.

TWM's Chief Compliance Officer, Catherine Hesse, J.D., remains available to address any questions that a client or prospective client may have regarding the above conflicts of interest.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

TWM has adopted a *Code of Ethics* ("Code") to address the securities-related conduct of our advisory representatives and employees. The Code includes our policies and procedures developed to protect your interest in relation to the following:

- The duty at all times to place your interests ahead of ours,
- That all personal securities transactions of our advisory representatives and employees be conducted in a manner consistent with the Code and avoid any actual or potential conflict of interest, or any abuse of an advisory representative's or employee's position of trust and responsibility,
- That advisory representatives may not take inappropriate advantage of their positions,
- That information concerning your identity of your security holdings and financial circumstances are confidential (please see TWM's privacy notice regarding client privacy); and
- That independence in the investment decision making process is paramount

TWM will provide a copy of the Code to clients or any prospective client upon request. TWM's advisory representatives and employees are permitted to buy or sell the same securities for their personal and family accounts that are bought or sold for your account through Osaic Wealth when you implement your financial plan through them, in their capacities as a Registered Representative and/or Registered Investment Advisor Representatives of Osaic Wealth. The personal securities transactions by advisory representatives and employees raise conflicts of interest when they trade in a security that is: owned by you, or is being considered for purchase or sale for you through Osaic Wealth.

TWM has adopted policies and procedures that are intended to mitigate these conflicts of interest. These policies and procedures:

- Require TWM's advisory representatives and employees to act in your best interests,
- Prohibit favoring one client over another, and Advisory Representatives and employees must follow our procedures when purchasing or selling the same securities purchased or sold for you through Osaic Wealth.

Neither TWM nor any related person of TWM recommends, buys, or sells for client accounts, securities in which TWM or any related person of TWM has a material financial interest.

Item 12 Brokerage Practices

You may choose to implement your financial plan through your advisory representative in conjunction with Osaic Wealth and/or his/her licensing through various insurance companies. As described in "Other Financial Industry Activities and Affiliations," our advisory representatives are also Registered Representatives and/or Investment Advisor Representatives of Osaic Wealth, a FINRA registered broker-dealer. TWM customarily recommends Osaic Wealth to execute client account transactions.

This creates a conflict of interest, as certain TWM advisory representatives are also Registered Representatives of Osaic Wealth, and will therefore, receive compensation from Osaic Wealth. Because the amount of our compensation or services we receive may vary depending on the broker-dealer we recommend to be used by our clients, we have a conflict of interest in making that recommendation.

Our recommendation of Osaic Wealth may be based in part on the economic benefit to us and not solely on the nature, cost, or quality of custody and brokerage services provided to you and our other clients. Commissions and other fees for transactions or advisory services executed through Osaic Wealth may be higher or lower than commissions and other fees available if you use another broker-dealer firm to implement your financial plan. Please be aware clients always have the right to decide whether or not to implement your financial plan and the right to choose if you want to implement your financial plan through us or Osaic Wealth or through a professional of your choice.

Michael Hesse owns common stock shares in Advisor Group Holdings, Inc., the privately held parent company of Advisor Group, Inc., which is the sole owner of Osaic Wealth. As a result, Mr. Hesse has an incentive to recommend Osaic Wealth for products and services and may indirectly benefit if this firm is retained to provide such products or services. This incentive creates a conflict of interest. Please be aware clients always have the right to decide whether to implement your financial plan and whether to implement the plan through us or Osaic Wealth or through a professional of your choice. In making any brokerage or insurance recommendations we will always act in your best interests.

Item 13 Review of Accounts

- A. To the extent TWM is engaged to provide advisory services as discussed in this Brochure, it is imperative for each client to discuss with TWM their objectives, needs and goals and to keep TWM informed of any changes regarding same. Review meetings with the client are customarily conducted semi-annually or annually, by Michael Hesse, CFP, CLU, ChFC or Salvador Elizondo, CFP.

To the extent that the client determines necessary, based upon a change in their financial situation, objectives, etc., TWM shall remain available to meet with the client to review, evaluate or revise TWM's previous advisory services and/or recommendations.

- B. TWM may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections or at the client's request.
- C. Clients are provided with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or the investment adviser(s) engaged by the client to provide ongoing investment management services. TWM does not generate client statements nor does it maintain custody of client assets. Reports generated by TWM may be presented to the client at each scheduled review and/or at the request of the client. Generally, these reports may include one or more, or all of the following: an investment performance analysis, an asset allocation report, and in some cases multi-year cash flow projections and allocations.

Item 14 Client Referrals and Other Compensation

- A. TWM may refer you to Osaic Wealth for brokerage or portfolio management services. If you choose Osaic Wealth for these services, our advisory representative may receive compensation for these services in their role as registered representatives or investment advisor representatives of Osaic Wealth as described in Item 10 above.

- B. TWM does not compensate any non-supervised person for client referrals.

Item 15 Custody

TWM does not have custody of client funds or securities.

Item 16 Investment Discretion

TWM does not provide investment supervisory, investment management or investment implementation services and therefore does not accept discretionary authority.

Item 17 Voting Client Securities

TWM does not provide investment management services, and therefore, does not vote client securities.

Item 18 Financial Information

- A. TWM does not solicit fees of more than \$500, per client, six months or more in advance.
- B. TWM does not provide investment management services on a discretionary basis. TWM has no financial commitment that impairs our ability to meet our contractual and fiduciary commitments to our clients.
- C. TWM has not been the subject of a bankruptcy petition.

Item 19 Requirements for State-Registered Advisors

- A. Michael W. Hesse, CFP, CLU, ChFC was born in 1958. He obtained his CFP designation from The College for Financial Planning and his CLU and ChFC designations from The American College. Mr. Hesse has been the President of Texas Wealth Management, Inc. since 1982. Mr. Hesse has been a Managing Member of TWM since 2016. Mr. Hesse has been a Registered Representative, Registered Principal, and Registered Investment Advisor Representative of Osaic Wealth since 1982 and is a licensed insurance agent. Mr. Hesse spends approximately 40 hours a month doing activities related to Osaic Wealth and approximately 5 hours a month doing activities relating to insurance. (See Item 10 above for conflict of interest disclosures)

Salvador Elizondo, CFP was born in 1962. Mr. Elizondo is the Senior Financial Advisor of TWM. Mr. Elizondo has been the Senior Financial Advisor of Texas Wealth Management, Inc. since 1997. He has also been a Registered Representative and Registered Principal of Osaic Wealth since 1997. Mr. Elizondo spends approximately 20 hours a month doing activities related to Osaic Wealth. Mr. Elizondo has been an Investment Adviser Representative of Osaic Wealth since 2020.

Catherine Hesse was born in 1986. Ms. Hesse graduated from Texas Christian University in 2008 with a Bachelor of Business Administration where she majored in Finance with an emphasis in real estate. Ms. Hesse also received her Degree of Doctor of Jurisprudence from South Texas College of Law in 2012. Ms. Hesse became licensed by the Texas State Bar in May 2013. Ms. Hesse worked at Texas Wealth Management, Inc. in between college and law school. In 2013, Ms. Hesse began full-time at Texas Wealth Management, Inc. as Director of Finance and Operations. Ms. Hesse is currently the Chief Compliance Officer of TWM. She has also been a Registered Assistant of Osaic Wealth since August 2014. Ms. Hesse spends approximately 10

hours a month doing activities related to Osaic Wealth.

- B. Neither TWM nor its representatives accept performance-based fees.
- C. Neither TWM nor its representatives have any reportable disciplinary information.
- D. Neither TWM nor its representatives have any relationship or arrangement with any issuer of securities.

ANY QUESTIONS: TWM's Chief Compliance Officer, Catherine Hesse, J.D., remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.

Item 1 Cover Page

A.

Michael William Hesse

Texas Wealth Management, LLC

ADV Part 2B, Brochure Supplement
Dated November 17, 2023

Contact: Catherine Hesse, Chief Compliance Officer
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www.texaswealthmanagement.com

B.

This Brochure Supplement provides information about Michael William Hesse that supplements the Texas Wealth Management, LLC Brochure; you should have received a copy of that Brochure. Please contact Catherine Hesse, Chief Compliance Officer, if you did *not* receive Texas Wealth Management, LLC's Brochure or if you have any questions about the contents of this supplement.

Additional information about Michael William Hesse is available on the SEC's website at www.adviserinfo.sec.gov and can be searched using his individual CRD # 861367.

Item 2 Education Background and Business Experience

Michael William Hesse was born in 1958. Mr. Hesse has been the Managing Member since July 2016 and an investment adviser representative since February 2017 of Texas Wealth Management, LLC. He also was President and an investment advisor representative of Texas Wealth Management, LLC's predecessor firm, Texas Wealth Management, Inc., from 1982 through 2017. Mr. Hesse has also been a registered representative and advisory representative of Osaic Wealth, Inc., since 1982. Mr. Hesse attended Texas A&M University from 1977-1978, but did not graduate.

Mr. Hesse has been a CERTIFIED FINANCIAL PLANNER™ professional since 1982.

Mr. Hesse is certified for financial planning services in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board"). Therefore, he may refer to himself as a CERTIFIED FINANCIAL PLANNER™ professional or a CFP® professional, and he may use these and CFP Board's other certification marks (the "CFP Board Certification Marks"). The

CFP® certification is voluntary. No federal or state law or regulation requires financial planners to hold the CFP® certification. You may find more information about the CFP® certification at www.cfp.net.

CFP® professionals have met CFP Board's high standards for education, examination, experience, and ethics. To become a CFP® professional, an individual must fulfill the following requirements:

- **Education** – Earn a bachelor's degree or higher from an accredited college or university and complete CFP Board-approved coursework at a college or university through a CFP Board Registered Program. The coursework covers the financial planning subject areas CFP Board has determined are necessary for the competent and professional delivery of financial planning services, as well as a comprehensive financial plan development capstone course. A candidate may satisfy some of the coursework requirement through other qualifying credentials.
- **Examination** – Pass the comprehensive CFP® Certification Examination. The examination is designed to assess an individual's ability to integrate and apply a broad base of financial planning knowledge in the context of real-life financial planning situations.
- **Experience** – Complete 6,000 hours of professional experience related to the personal financial planning process, or 4,000 hours of apprenticeship experience that meets additional requirements.
- **Ethics** – Satisfy the Fitness Standards for Candidates for CFP® Certification and Former CFP® Professionals Seeking Reinstatement and agree to be bound by CFP Board's Code of Ethics and Standards of Conduct ("Code and Standards"), which sets forth the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements to remain certified and maintain the right to continue to use the CFP Board Certification Marks:

- **Ethics** – Commit to complying with CFP Board's Code and Standards. This includes a commitment to CFP Board, as part of the certification, to act as a fiduciary, and therefore, act in the best interests of the client, at all times when providing financial advice and financial planning. CFP Board may sanction a CFP® professional who does not abide by this commitment, but CFP Board does not guarantee a CFP® professional's services. A client who seeks a similar commitment should obtain a written engagement that includes a fiduciary obligation to the client.
- **Continuing Education** – Complete 30 hours of continuing education every two years to maintain competence, demonstrate specified levels of knowledge, skills, and abilities, and keep up with developments in financial planning. Two of the hours must address the Code and Standards.

Mr. Hesse has been a Chartered Financial Consultant (ChFC®) since 1995. The ChFC® designation has been a mark of excellence for almost thirty years and currently requires nine college-level courses, the most of any financial planning credential. Average study time to earn the ChFC® exceeds 450 hours. Required courses cover extensive education and application training in financial planning, income taxation, investments, and estate and retirement planning. Additional electives are chosen from such topics as macroeconomics, financial decisions for retirement, and executive compensation. ChFC® designees must meet experience requirements and adhere to continuing education and ethical standards. The credential is awarded by The American College, a non-profit educator founded in 1927 and the highest level of academic accreditation.

Mr. Hesse has been a Chartered Life Underwriter (CLU®) since 1995. Since 1927, the CLU® has been the respected risk management credential for advisors. Designees have completed eight or more college-level courses representing an average study time of 400 hours. Topics for required courses include insurance and financial planning, life insurance law, estate planning, and planning for business owners and professionals. Elective courses include such advanced topics as income taxes, group benefits, retirement planning, and health insurance. CLU® designees must meet experience and continuing education requirements and must adhere to a high ethical standard. The mark is awarded by The American College, a non-profit educator with the top level of academic accreditation.

Mr. Hesse has held the designation of Certified Plan Fiduciary Advisor (CPFA) since March 2019. The CPFA designation is issued by the National Association of Plan Advisors (NAPA). The course work and examination cover ERISA Fiduciary Roles and Responsibilities, ERISA Fiduciary Oversight, ERISA Plan Investment Management, ERISA Plan Management. All credentialed members must acquire 10 hours of continuing education credits each year, as well as renew NAPA Membership annually. A plan advisor who has earned his/her CPFA has demonstrated the expertise required to act as a plan fiduciary or help plan fiduciaries manage their roles and responsibilities.

Item 3 Disciplinary Information

None.

A. Item 4 Other Business Activities

Registered Representative/ Investment Adviser Representative of Osaic Wealth Securities Corp. Mr. Hesse is a registered representative and advisory representative of Osaic Wealth, Inc. (“*Osaic Wealth*”), an SEC Registered investment advisory firm and FINRA member broker-dealer. Clients may choose to engage Mr. Hesse in his individual capacity to implement investment recommendations as a registered representative of Osaic Wealth on a commission basis and/or as an advisory representative of *Osaic Wealth* on a fee basis.

1. **Conflict of Interest.** The recommendation by Mr. Hesse that a client purchase a securities product presents a ***conflict of interest***, as the receipt of commissions, fees, or other compensation provides an incentive to recommend investment products based on compensation to be received, rather than on a particular client's need. Please be aware that the client always has the right to decide whether or not to purchase any securities products recommended by Mr. Hesse and always has the right to purchase investment products recommended by Mr. Hesse through other, non-affiliated broker dealers of their choice. In making any brokerage or insurance recommendations we will always act in your best interests.

On various occasions, as a registered principal of Osaic Wealth, Mr. Hesse has personally been offered by Osaic Wealth and has accepted conditional, forgivable loans as an incentive to develop new business and to expand his relationship with the broker dealer. For clarity purposes these loans have not been made to TWM. In order for such personal loans to be forgiven by Osaic Wealth over a period of years, Mr. Hesse is required to maintain his securities license in good standing in the industry, make any required note payments to Osaic Wealth in a timely manner, not become insolvent or declare bankruptcy, and remain affiliated with Osaic Wealth without cause for termination throughout the duration of the term for each note. These forgivable loan agreements provide Mr. Hesse with an incentive to remain affiliated with Osaic Wealth for the specified number of years, which is deemed a conflict of interest for his clients. However, to help mitigate this conflict of interest, Mr. Hesse conducts regular reviews of his relationship with Osaic Wealth in light of changing financial industry conditions which could impact his clients' best interests. He is free to terminate his affiliation with Osaic Wealth at any time and immediately repay any remaining note balances due plus any accrued interest. Mr. Hesse has been affiliated with Osaic Wealth since 1982, yet he maintains adequate liquid funds in order to repay any outstanding note balances in the event he should choose to terminate his affiliation with Osaic Wealth in the future.

Mr. Hesse also owns common stock shares in Advisor Group Holdings, Inc., the privately held parent company of Advisor Group, Inc., which is the sole owner of Osaic Wealth. As a result, Mr. Hesse has an incentive to recommend Osaic Wealth for products and services and may indirectly benefit if this firm is retained to provide such products or services. This incentive creates a conflict of interest. Please be aware that the client always has the right to decide whether or not to purchase any securities products recommended by Mr. Hesse and always has the right to purchase investment products recommended by Mr. Hesse through other, non-affiliated broker dealers of their choice. In making any brokerage or insurance recommendations we will always act in your best interests.

TWM's Chief Compliance Officer, Catherine Hesse, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

2. In the event the client chooses to purchase investment products through *Osaic Wealth*, brokerage fees will be charged by *Osaic Wealth* to effect securities transactions, a portion of which shall be paid by *Osaic Wealth* to Mr. Hesse in his capacity as an advisory representative of *Osaic Wealth*. The brokerage fees charged by *Osaic Wealth* may be higher or lower than those charged by other broker-dealers or investment advisors. In addition, *Osaic Wealth*, as well as Mr. Hesse as a registered representative of *Osaic Wealth*, relative to commission mutual fund purchases, may also receive additional ongoing 12b-1 trailing commission compensation directly from the mutual fund company during the period that the client maintains the mutual fund investment. The securities business conducted by Mr. Hesse is separate and apart from TWM's investment management and financial planning services discussed in TWM's *Brochure*.

- B. **Licensed Insurance Agent.** Mr. Hesse, in his individual capacity, is a licensed insurance agent, and may recommend the purchase of certain insurance-related products on a commission or fee basis. Clients can engage Mr. Hesse to purchase insurance products. **Conflict of Interest:** The recommendation by Mr. Hesse that a client purchase an insurance product presents a *conflict of interest*, as the receipt of commissions or fees provides an incentive to recommend insurance products based on commissions or fees to be received, rather than on a particular client's need. The client always has the right to decide whether or not to purchase any insurance products recommended by Mr. Hesse and the client always has the right to purchase insurance products recommended by Mr. Hesse through other, non-affiliated insurance agents of their choice. In making any insurance recommendations we will always act in your best interests. **TWM's Chief Compliance Officer, Catherine Hesse, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

Item 5 Additional Compensation

None.

Item 6 Supervision

TWM provides investment advisory and supervisory services in accordance with current state regulatory requirements. TWM's Chief Compliance Officer, Catherine Hesse, is primarily responsible for overseeing the activities of TWM's supervised persons. Mr. Hesse also monitors accounts and conducts account reviews on at least an annual basis. Should a client have any questions regarding TWM's supervision or compliance practices, please contact Catherine Hesse at (281) 333-3800.

Item 7 State-Registered Investment Advisors

- A. Mr. Hesse has never been involved in an arbitration proceeding or a civil, self-regulatory, or administrative proceeding.
- B. Mr. Hesse has never been the subject of a bankruptcy petition.

Item 1 Cover Page

A.

Salvador Elizondo

Texas Wealth Management, LLC

ADV Part 2B, Brochure Supplement

Dated November 17, 2023

Contact: Catherine Hesse, Chief Compliance Officer
18333 Egret Bay Boulevard; Suite 600
Houston, Texas 77058

B.

This Brochure Supplement provides information about Salvador Elizondo that supplements the Texas Wealth Management, LLC Brochure; you should have received a copy of that Brochure. Please contact Catherine Hesse, Chief Compliance Officer, if you did *not* receive Texas Wealth Management, LLC's Brochure or if you have any questions about the contents of this supplement.

Additional information about Salvador Elizondo is available on the SEC's website at www.adviserinfo.sec.gov and can be searched using his individual CRD # 1662420.

Item 2 Education Background and Business Experience

Salvador Elizondo was born in 1962. Mr. Elizondo has been a Senior Financial Advisor of Texas Wealth Management, LLC since February 2017 and its predecessor Texas Wealth Management, Inc. since 1997. Mr. Elizondo has also been a registered representative of Osaic Wealth Securities Corp. since 1997. Mr. Elizondo attended the University of Houston from 1981-1987, but did not graduate.

Mr. Elizondo has been a CERTIFIED FINANCIAL PLANNER™ professional since 2001.

Mr. Elizondo is certified for financial planning services in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board"). Therefore, he may refer to himself as a CERTIFIED FINANCIAL PLANNER™ professional or a CFP® professional, and he may use these and CFP Board's other certification marks (the "CFP Board Certification Marks"). The CFP® certification is voluntary. No federal or state law or regulation requires financial planners

to hold the CFP® certification. You may find more information about the CFP® certification at www.cfp.net.

CFP® professionals have met CFP Board's high standards for education, examination, experience, and ethics. To become a CFP® professional, an individual must fulfill the following requirements:

- **Education** – Earn a bachelor's degree or higher from an accredited college or university and complete CFP Board-approved coursework at a college or university through a CFP Board Registered Program. The coursework covers the financial planning subject areas CFP Board has determined are necessary for the competent and professional delivery of financial planning services, as well as a comprehensive financial plan development capstone course. A candidate may satisfy some of the coursework requirement through other qualifying credentials.
- **Examination** – Pass the comprehensive CFP® Certification Examination. The examination is designed to assess an individual's ability to integrate and apply a broad base of financial planning knowledge in the context of real-life financial planning situations.
- **Experience** – Complete 6,000 hours of professional experience related to the personal financial planning process, or 4,000 hours of apprenticeship experience that meets additional requirements.
- **Ethics** – Satisfy the Fitness Standards for Candidates for CFP® Certification and Former CFP® Professionals Seeking Reinstatement and agree to be bound by CFP Board's Code of Ethics and Standards of Conduct ("Code and Standards"), which sets forth the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements to remain certified and maintain the right to continue to use the CFP Board Certification Marks:

- **Ethics** – Commit to complying with CFP Board's Code and Standards. This includes a commitment to CFP Board, as part of the certification, to act as a fiduciary, and therefore, act in the best interests of the client, at all times when providing financial advice and financial planning. CFP Board may sanction a CFP® professional who does not abide by this commitment, but CFP Board does not guarantee a CFP® professional's services. A client who seeks a similar commitment should obtain a written engagement that includes a fiduciary obligation to the client.
- **Continuing Education** – Complete 30 hours of continuing education every two years to maintain competence, demonstrate specified levels of knowledge, skills, and abilities, and keep up with developments in financial planning. Two of the hours must address the Code and Standards.

Item 3 Disciplinary Information

None.

Item 4 Other Business Activities

A. **Registered Representative/ Investment Adviser Representative of Osaic Wealth, Inc.**

Mr. Elizondo is a registered representative of Osaic Wealth, Inc. ("*Osaic Wealth*"), an SEC Registered investment advisory firm and FINRA member broker-dealer.

1. **Conflict of Interest.** While Mr. Elizondo is not a producing registered representative or investment adviser representative of Osaic Wealth, he may make recommendations that generate commissions or fees for other brokerage, advisory or insurance licensed representatives of our firm. The client always has the right to decide whether or not to act on Mr. Elizondo's recommendations and whether they want to purchase any securities products from *Osaic Wealth*. Clients are reminded that they may always purchase brokerage services recommended by Mr. Elizondo through other, non-affiliated broker dealers of their choice. In making any brokerage recommendations we will always act in your best interests. The recommendation by Mr. Elizondo that a client engage Osaic Wealth for investment advisory services presents a conflict of interest, as the receipt of investment advisory fees provides an incentive to recommend advisory services based on compensation to be received, rather than on a particular client's need. Please be aware that the client always has the right to decide whether or not to pursue advisory services recommended by Mr. Elizondo.
2. **TWM's Chief Compliance Officer, Catherine Hesse, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**
3. The brokerage fees charged by *Osaic Wealth* may be higher or lower than those charged by other broker-dealers or investment advisors.

B. Mr. Elizondo is not actively engaged in any non-investment-related business or occupation for compensation.

Item 5 Additional Compensation

None.

Item 6 Supervision

TWM provides investment advisory and supervisory services in accordance with current state regulatory requirements. TWM's Chief Compliance Officer, Catherine Hesse, is primarily responsible for overseeing the activities of TWM's supervised persons. Mr. Elizondo also monitors accounts and conducts account reviews on at least an annual basis. Should a client have any questions regarding TWM's supervision or compliance practices, please contact Catherine Hesse at (281) 333-3800.

Item 7 State-Registered Investment Advisors

- A. Mr. Elizondo has never been involved in an arbitration proceeding or a civil, self-regulatory, or administrative proceeding.
- B. Mr. Elizondo has never been the subject of a bankruptcy petition.

Item 1 Cover Page

A.

Catherine Hesse

Texas Wealth Management, LLC

ADV Part 2B, Brochure Supplement
Dated November 17, 2023

Contact: Catherine Hesse, Chief Compliance Officer
18333 Egret Bay Boulevard; Suite 600
Houston, Texas 77058

B.

This Brochure Supplement provides information about Catherine Hesse that supplements the Texas Wealth Management, LLC Brochure; you should have received a copy of that Brochure. Please contact Catherine Hesse, Chief Compliance Officer, if you did *not* receive Texas Wealth Management, LLC's Brochure or if you have any questions about the contents of this supplement.

Additional information about Catherine Hesse is available on the SEC's website at www.adviserinfo.sec.gov and can be searched using her individual CRD # 5647321.

Item 2 Education Background and Business Experience

Catherine Hesse was born in 1986. Ms. Hesse graduated from Texas Christian University in 2008 with a Bachelor of Business Administration where she majored in Finance with an emphasis in real estate. Ms. Hesse also received her Degree of Doctor of Jurisprudence from South Texas College of Law in 2012. Ms. Hesse became licensed by the Texas State Bar in May 2013. Ms. Hesse has worked at Texas Wealth Management, Inc. in between college and law school for a year. In 2013, Ms. Hesse began full-time at Texas Wealth Management, Inc. as Director of Finance and Operations. Ms. Hesse is currently the Chief Compliance Officer of TWM. She has also been a Registered Assistant of Osaic Wealth since August 2014.

Item 3 Disciplinary Information

None.

Item 4 Other Business Activities

- A. Ms. Hesse is a registered assistant of *Osaic Wealth*. Ms. Hesse is also an investment adviser representative of Osaic Wealth

Conflict of Interest. Ms. Hesse, in her individual capacity as an investment adviser representative of Osaic Wealth, does not recommend or implement investment recommendations on a fee basis. The recommendation by Ms. Hesse that a client engage Osaic Wealth for investment advisory services presents a conflict of interest, as the receipt of investment advisory fees provides an incentive to recommend advisory services based on compensation to be received, rather than on a particular client's need. Please be aware that the client always has the right to decide whether or not to pursue advisory services recommended by Ms. Hesse.

- B. Ms. Hesse is not actively engaged in any non-investment-related business or occupation for compensation.

Item 5 Additional Compensation

None.

Item 6 Supervision

TWM provides investment advisory and supervisory services in accordance with current state regulatory requirements. TWM's Chief Compliance Officer, Catherine Hesse, is primarily responsible for overseeing the activities of TWM's supervised persons. Ms. Hesse also monitors accounts and conducts account reviews on at least an annual basis. Should a client have any questions regarding TWM's supervision or compliance practices, please contact Catherine Hesse at (281) 333-3800.

Item 7 State-Registered Investment Advisors

- A. Ms. Hesse has never been involved in an arbitration proceeding or a civil, self-regulatory, or administrative proceeding.
- B. Ms. Hesse has never been the subject of a bankruptcy petition.