

ETEXfinancial, Inc.
(Part 2A of Form ADV: Firm Brochure)

ETEXfinancial, Inc.
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This brochure provides information about the qualifications and business practices of ETEXFINANCIAL, INC. If you have any questions about the contents of this brochure, please contact us at: 877-225-3839, or by EMAIL at: tom@etexfinancial.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.

The firm is a Registered Investment Adviser in the State of Texas. Please note that registration does not imply a certain level of skill or training.

Additional information about ETEXFINANCIAL, INC. is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 142696.

March 2016

Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 877-225-3839 or by EMAIL at: tom@etexfinancial.com.

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Advisory Business

Firm Description

ETEXFINANCIAL, INC. was founded in 2007.

ETEXFINANCIAL, INC. provides personalized confidential financial planning and investment management to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and small businesses. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement, estate and business succession planning.

ETEXFINANCIAL, INC. is strictly a fee-only financial planning and investment management firm. The firm does not receive commissions for purchasing or selling annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products.

The firm is affiliated with ETEXINSURANCE SERVICES, INC. that does receive commissions for the selling annuities and other insurance products. Clients are under no obligation to purchase any annuity or insurance product from ETEXINSURANCE SERVICES, INC.

ETEXFINANCIAL, INC. is not paid cash by or receives any economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients.

ETEXFINANCIAL, INC. does not directly or indirectly compensate any person or organization for client referrals.

Investment advice is an integral part of financial planning. In addition, ETEXFINANCIAL, INC. advises clients regarding cash flow, college planning, retirement planning, tax planning, estate and business succession planning.

Investment advice is provided, with ETEXFINANCIAL, INC. making the final decision on investment selection. ETEXFINANCIAL, INC. does not act as a custodian of client assets. The client always maintains asset control. ETEXFINANCIAL, INC. places trades for clients under a limited power of attorney.

A written evaluation of each client's initial situation is provided to the client, often in the form of a net worth statement. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

Principal Owners

Listed below are the firm's principal shareholders. These are the individuals who have controlling interest in the company.

Tom E. Ricks, CFP® 50% stockholder

Rusty M. Rutledge, CFP® 50% stockholder

Types of Advisory Services

ETEXFINANCIAL, INC. provides investment supervisory services, also known as asset management services and furnishes investment advice through consultations.

On more than an occasional basis, ETEXFINANCIAL, INC. furnishes advice to clients on matters not involving securities, such as financial planning matters, taxation issues, and trust services that often include estate and business succession planning.

As of December 31, 2014, ETEXFINANCIAL, INC. manages approximately \$9 million in assets for approximately 60 clients. Approximately, \$9 million is managed on a discretionary basis.

Tailored Relationships

The goals and objectives for each client are documented in our client relationship management system. Investment policy statements are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without client consent.

Types of Agreements

The following agreements define the typical client relationships.

Financial Planning Agreement

A financial plan is designed to help the client with all aspects of financial planning without ongoing investment management after the financial plan is completed.

The financial plan may include, but is not limited to: a net worth statement; a cash flow statement and recommendations regarding debt management; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of

retirement accounts including all types of IRA's and qualified plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; education planning with funding recommendations; business succession planning with recommendations; and review of all employer-sponsored employee benefit plans and recommendations.

Detailed investment advice and specific recommendations are provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client.

The fee for a financial plan is predicated upon the facts known at the start of the engagement. The minimum fee is \$500. Fees in excess of the minimum are negotiable and range as high as \$50,000. Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments. In the event that the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement. The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

After delivery of a financial plan, future face-to-face meetings may be scheduled as necessary for up to one month. Follow-on implementation work is billed separately at the rate of \$150 per hour.

Investment Management Agreement

Most clients choose to have ETEXFINANCIAL, INC. manage their assets in order to obtain ongoing in-depth advice and life planning. All aspects of the client's financial affairs are reviewed, including those of their children. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The scope of work and fee for an Investment Management Agreement is provided to the client in writing prior to the start of the relationship.

The annual Investment Management Agreement fee is based on a percentage of the investable assets according to the following schedule:

Up to 2.00% on the first \$100,000;

Up to 1.50% on the next \$400,000

Up to 1.00% on the assets above \$500,000

Current client relationships may exist where the fees are lower than the fee schedule above. Fees are negotiable.

ETEXFINANCIAL, INC., in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning

capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

Although the Investment Management Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

Retainer Agreement

In some circumstances, a *Retainer Agreement* is executed in lieu of a Financial Planning Agreement or Investment Management Agreement when it is more appropriate to work on a fixed-fee basis. The annual fee for a *Retainer Agreement* is negotiable and starts at a minimum of \$2,500 per quarter.

Hourly Planning Engagements

ETEXFINANCIAL, INC. provides hourly planning services for clients who need advice on a limited scope of work. The hourly rate for limited scope engagements is \$200.

Asset Management

Investment planning, like all aspects of financial planning, is a process. The overall objective is to produce the highest net composite rate of return (after taxes, inflation and investment management fees) for our clients.

Our investment approach utilizes both technical and fundamental analysis based on our own research of publically available information. Our service is focused on designing, analyzing, implementing and monitoring the investment plan to meet our clients' needs within their risk tolerance and goal objectives.

ETEXfinancial, Inc. does not have possession of your cash or securities. We trade in our client's accounts only in marketable securities and do not use private placement investments.

ETEXFINANCIAL, INC. does not receive any compensation, in any form, from fund companies.

Initial public offerings (IPOs) are not available through ETEXFINANCIAL, INC.

Termination of Agreement

A Client may terminate any of the aforementioned agreements at any time by notifying ETEXFINANCIAL, INC. in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, ETEXFINANCIAL, INC. will refund any unearned portion of the advance payment.

ETEXFINANCIAL, INC. may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, ETEXFINANCIAL, INC. will refund any unearned portion of the advance payment.

Fees and Compensation

Description

ETEXFINANCIAL, INC. bases its Investment Management fees on a percentage of assets under management.

Some Retainer Agreements may be priced based on the complexity of work, especially when asset management is not the most significant part of the relationship.

Financial plans are priced according to the degree of complexity associated with the client's situation. Hourly rates are charged where the scope of the engagement dictates.

Fees are negotiable.

Fee Billing

Investment management fees are billed quarterly, in advance, meaning that we invoice you before the three-month billing period has begun. Payment in full is expected upon invoice presentation. Fees are deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

Fees for financial plans are due and payable in full in advance.

Other Fees

Our clearing broker dealer/custodian charges transaction fees on purchases or sales of certain mutual funds, exchange traded funds/ notes, stocks and bonds. These transaction charges are paid by the client. Stock, ETF and ETN transactions are \$19.95 per transaction. Most mutual funds that are used have no fee. Bond transactions less than \$50k are \$50 and over \$50k are \$75. Option trades are \$25 plus \$1.50 per contract. Unit investment trust transactions are \$25.

ETEXfinancial, Inc. does not receive any compensation from the clearing broker dealer/custodian. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

Links:

Clearing Broker Dealer : <http://www.tradepmr.com/Default.aspx>

Custodian: First Clearing an affiliate of Wells Fargo & Company:
<http://www.firstclearing.com/>

Expense Ratios

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to ETEXFINANCIAL, INC. ETEXfinancial does not receive any compensation from these charges.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

Past Due Accounts and Termination of Agreement

ETEXFINANCIAL, INC. reserves the right to stop work on any account that is more than 30 days overdue. In addition, ETEXFINANCIAL, INC. reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in ETEXFINANCIAL, INC.'s judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 10 days.

Performance-Based Fees

Sharing of Capital Gains

ETEXfinancial, Inc. does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

Types of Clients

Description

ETEXFINANCIAL, INC. generally provides investment advice to individuals, pension and profit sharing plans, trusts, estates, or charitable organizations, corporations or business entities.

Client relationships vary in scope and length of service.

Account Minimums

The minimum account size is \$25,000 of assets under management, which equates to an annual fee of \$500.

When an account falls below \$25,000 in value, the minimum annual fee of \$500 is charged. Depending upon circumstances, ETEXFINANCIAL, INC. will sign an *Hourly Agreement* with the client if assets have diminished significantly below \$25,000.

ETEXFINANCIAL, INC. has the discretion to waive the account minimum.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that ETEXFINANCIAL, INC. may use include Morningstar Principia mutual fund/stock and asset allocation information.

Investment Strategies

Investing in securities involves risk of loss that clients should be prepared to bear. The investment strategy used in client accounts is based on the Model Portfolio Theory. Modern Portfolio Theory is a theory of finance which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully choosing the proportions of various assets. Model Portfolio Theory is a mathematical formulation of the concept of diversification in investing, with the aim of selecting a collection of investment assets that has collectively lower risk than any individual asset.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes a risk tolerance questionnaire and discussions are held regarding their objectives and their desired investment strategy.

Our investment approach utilizes both technical and fundamental analysis based on our own research of publically available information. Our service is focused on designing, analyzing, implementing and monitoring the investment plan to meet our clients' needs within their risk tolerance and goal objectives.

ETEXfinancial, Inc. employs momentum, short and long term trading strategies. Of key importance in security selection is quality, valuation and growth potential. Sophisticated computer models and simulations are utilized, enabling the Advisor to design a diversified portfolio that should provide more consistent returns with a level of risk that conforms to the client's stated risk tolerance.

The Investment and Wealth Management services that we offer include:

- Financial Goal Establishment
- Risk Tolerance Assessment
- Portfolio analysis and Review
- Investment Policy Establishment
- Asset Allocation Design
- Specific Investment Recommendations
- Implementation of Client Orders and Support
- Asset allocation and rebalancing

Other strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies).

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **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.
- **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.

Disciplinary Information

Legal and Disciplinary

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

Other Financial Industry Activities and Affiliations

Financial Industry Activities

ETEXFINANCIAL, INC. is registered as a Registered Investment Advisor in Texas.

Affiliations

ETEXfinancial is **not** registered (nor does it have any applications pending) as a securities broker-dealer, futures commission merchant, commodity pool operator, commodity trading adviser, municipal or government securities dealer or broker.

ETEXfinancial **does not** have any relationships or financial arrangements that involve any of the following:

- Investment company or other pooled investment vehicle, including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," or offshore fund;

- Other investment advisor or financial planner;
- Banking or thrift institution;
- Lawyer or law firm;
- Insurance company;
- Pension consultant;
- Real estate broker or dealer;

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

Code of Ethics

The employees of ETEXFINANCIAL, INC. have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

ETEXFINANCIAL, INC. and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the *ETEXFINANCIAL, INC. Registered Investment Advisor Compliance Manual*.

Personal Trading

The Chief Compliance Officer of ETEXFINANCIAL, INC. is Tom E. Ricks, CFP®. He reviews all employee trades each quarter. His trades are reviewed by Rusty Rutledge, CFP® Compliance Administrator. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small stock, bond, mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

Brokerage Practices

Selecting Brokerage Firms

ETEXFINANCIAL, INC. does not have any affiliation with product sales firms. Specific custodian recommendations are made to Clients based on their need for such services. ETEXFINANCIAL, INC. recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

ETEXFINANCIAL, INC. does not receive fees or commissions from any of these arrangements.

Best Execution

ETEXFINANCIAL, INC. reviews the execution of trades at each custodian each quarter. The review is documented in the ETEXFINANCIAL, INC. *Compliance Manual*. Trading fees charged by the custodians is also reviewed on a quarterly basis. ETEXFINANCIAL, INC. does not receive any portion of the trading fees.

Soft Dollars

ETEXFINANCIAL, INC. does not receive any compensation from any broker dealer or custodian in any form.

Order Aggregation

Where trade aggregation benefits the client, ETEXfinancial, Inc. processes the trades as such.

Review of Accounts

Periodic Reviews

Reviews are conducted at least monthly but may occur daily. Reviews range from total portfolio market value vs. cost basis and may involve individual securities positions, recent events, earnings announcements and other public information. Quarterly internal reviews are made to determine whether any assets should be rebalanced in order to maintain the client's stated objectives. An annual review of the client's account and financial plan is offered to the client for a fee charged on an hourly basis. All reviews are conducted by Tom E. Ricks, CFP(R), CCO or Rusty M. Rutledge, CFP® Compliance Administrator.

Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

Regular Reports

Account reviewers are members of the firm's Investment Committee. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive periodic communications on at least an annual basis. *Financial Planning Agreement* clients, *Investment Management* clients, and *Retainer Agreement* clients receive written quarterly updates. The written updates may include a net worth statement, portfolio statement, and a summary of objectives and progress towards meeting those objectives.

Client Referrals and Other Compensation

Incoming Referrals

ETEXFINANCIAL, INC. has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

Referrals Out

ETEXFINANCIAL, INC. does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Other Compensation

ETEXfinancial, INC. does not receive any other form(s) of compensation.

Custody

SEC “Custody”

ETEXFINANCIAL, INC. does not serve as custodian for any client account.

Account Statements

All assets are held at qualified custodians. The custodians provide account statements directly to clients at their address of record at least quarterly.

Performance Reports

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by ETEXFINANCIAL, INC.

Net Worth Statements

Clients are frequently provided net worth statements and net worth graphs that are generated from our client relationship management system. Net worth statements contain approximations of bank account balances provided by the client, as well as the value of land and hard-to-price real estate. The net worth statements are used for long-term financial planning where the exact values of assets are not material to the financial planning tasks.

Investment Discretion

Discretionary Authority for Trading

ETEXFINANCIAL, INC. accepts discretionary authority to manage securities accounts on behalf of clients. ETEXFINANCIAL, INC. has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, ETEXFINANCIAL, INC. consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given.

The client approves the custodian to be used and the commission rates paid to the custodian. ETEXFINANCIAL, INC. does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

Limited Power of Attorney

A limited power of attorney is a trading authorization for this purpose. You sign a limited power of attorney so that we may execute the trades that you have approved.

Voting Client Securities

Proxy Votes

ETEXFINANCIAL, INC. does not vote proxies on securities. Clients are expected to vote their own proxies.

When assistance on voting proxies is requested, ETEXFINANCIAL, INC. will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

Financial Information

Financial Condition

ETEXFINANCIAL, INC. does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because ETEXFINANCIAL, INC. does not serve as a custodian for client funds or securities, and does not require prepayment of fees more than six months or more in advance.

Business Continuity Plan

General

EEXFINANCIAL, INC. has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

Disasters

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

Alternate Offices

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

Loss of Key Personnel

EEXFINANCIAL, INC. management structure is such that should either of the principals become seriously disabled or die, the other principal is aware of and prepared to provide the highest level of client service.

Information Security Program

Information Security

EEXFINANCIAL, INC. maintains an information security program to reduce the risk that your personal and confidential information may be breached.

Privacy Notice

In Accordance with the Gramm Leach Bliley Act of 1999, we are providing you with our firm's Customer Privacy Policy. This notice is given to all of our existing clients and all new clients after 7/1/2001. All of our clients will also receive our Customer Privacy Policy annually. Should our Customer Privacy Policy change at any time regarding the sharing of your information you will receive our New Customer Privacy Policy in advance and be given the opportunity to "opt out" of any new disclosure.

What information is collected: In compliance with SEC & FINRA rules, various security laws and to provide you with financial services, we are

required to collect personal non-public information on you and your family such as your name, address, social security number, credit reference, telephone number & email address, age, investment objective, investment experience, date of birth, tax bracket, bank accounts, annual income, net worth, value of your residence if owned, liquid net worth, affiliations with corporations or insurance companies or banks, your employment or occupation and marital status and other personal, non-public information.

Use of this information: The information is used to allow us to provide financial services to you. Your information is not sold by us to any outside party. Your information is not shared in joint marketing arrangements with other financial institutions by us. Historically your personal information has been kept strictly confidential by us.

Access to information: Your personal information is shared on a limited need to know basis in order to allow us to provide you with financial services. Personal or financial information may be shared with affiliates (such as your registered representative) and with third parties, again solely to allow us to be efficient and to provide you with financial services. Third parties are limited to administrative functions only (such as filing monthly statements or new account forms) and are prohibited from sharing or use your personal, non-public information. Financial information may also be shared with your custodian/broker dealer and mutual fund companies in which you open an account. You will receive a Customer Privacy Policy Statement from these firms as well. Other third parties include governmental agencies, the Securities and Exchange Commission, the National Association of Securities Dealers and state securities regulators, our accountants and attorneys, and registered investment advisors with whom you have an agreement, and those entities given authority through a legal proceeding.

Opt-Out Notice: In the future if we arrange a joint marketing arrangement with another financial institution or non-affiliated third parties we will notify you in writing and allow you to Opt-Out of the sharing of your personal, non-public financial information. If you decide to Opt-Out your request must be made in writing addressed and mailed to **ETEXfinancial, 203 N. Kaufman St., Ste. R, PO Box 1637, Mt. Vernon, TX 75457.**

Brochure Supplement (Part 2B of Form ADV)

Education and Business Standards

ETEXFINANCIAL, INC. requires that advisors in its employ have a bachelor's degree and further coursework demonstrating knowledge of financial planning and tax planning. Examples of acceptable coursework include: an MBA, a CFP®, a CFA, a ChFC, or CPA. Additionally, advisors must have work

experience that demonstrates their aptitude for financial planning and investment management.

Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

CERTIFIED PUBLIC ACCOUNTANT (CPA) CPAs are licensed and regulated by their state boards of accountancy. While state laws and regulations vary, the education experience and testing requirements for licensure as a CPA generally include minimum college education (typically 150 credit hours with a at least a baccalaureate degree and a concentration in accounting), minimum experience levels (most states require at least one year of experience providing services that involve the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, all of which must be achieved under the supervision of or verification by a CPA), and successful passage of the Uniform CPA Examination. In order to maintain a CPA license, states generally require the completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over a two-year period or 120 hours over a three-year period). Additionally, all American Institute of Certified Public Accountants (AICPA) members are required to follow a rigorous *Code of Professional Conduct* Which requires that they act with integrity, objectivity, due care, competence, fully disclose any conflicts of interest (and obtain client consent if a conflict exists), maintain client confidentiality, disclose to the client any commission or referral fees, and serve the public interest when providing financial services.

In addition to *Code of Professional Conduct*, the AICPA members who provide personal financial planning services are required to follow the *Statement on Standards in Personal Financial Planning* (SSPFPS).

Personal Financial Specialist (PFS) The PFS credential demonstrates that an individual has met the minimum education, experience and testing required of a CPA in addition to a minimum level of expertise in personal

financial planning. To attain the PFS credential, a candidate must hold an unrevoked CPA license, certificate, or permit, none of which are in active status; fulfill 3,000 hours of personal financial planning business experience; complete 75 hours of personal financial planning CPE credits; pass a comprehensive financial planning exam and be an active member of the AICPA. A PFS credential holder is required to adhere to AICPA's *Code of Professional Conduct* and the *Statement on Standards in Personal Financial Planning Services*, when providing personal financial planning services. To maintain their PFS credential, the recipient must complete 60 hours of financial planning CPE Credits every three years. The PFS credential is administered through the AICPA.

To learn more about the CPA designation, visit www.cpa.org.

Tom E. Ricks, CFP®, President ETEXfinancial, Inc.

Educational Background:

- Date of birth: 10/31/1951
- Institutions: Southern Methodist University BA Political Science 1973

Business Experience:

Mr. Ricks' business experience in the financial services industry began in 1974 and he has been active as a comprehensive financial planner serving the needs of individuals and business since 1997.

Disciplinary Information: None

Other Business Activities: Program Director/Instructor SMU Certificate Program in Financial Planning / Secretary/Treasurer of ETEXInsurance Services, Inc.

Additional Compensation: SMU Fees, Income from ETEXInsurance Services

Supervision:

Tom E. Ricks is supervised by Rusty Rutledge, Compliance Administrator. He reviews Tom's work through frequent office interactions as well as remote interactions. He also reviews Tom's activities through our client relationship management system.

Contact Rusty Rutledge at 877-225-3839 EMAIL rusty@etexfinancial.com

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

Rusty M. Rutledge, CFP®, Secretary Treasurer of ETEXfinancial, Inc.**Educational Background:**

- Date of birth: 02/25/1970
- Institutions: University of North TX Professional Development Institute 2000 – Certificate in Financial Planning

Business Experience:

Mr. Rutledge, a US Navy Veteran, has been in the financial services industry since 1990. Serving in various roles in the property and casualty industry he is well versed in all aspects of asset protection for individuals and businesses. In 2001 Mr. Rutledge attained the designation as a CFP® certificant and has been actively involved as a comprehensive financial planner for individuals and businesses since that date.

Disciplinary Information: None

Other Business Activities: President, ETEXinsurance Services, Inc.

Additional Compensation: Salary from ETEXinsurance Services, Inc.

Supervision:

Rusty Rutledge, CFP® is supervised by Tom E. Ricks, CFP® Chief Compliance Officer. He reviews Rusty's work through frequent office interactions as well as remote interactions. He also reviews Rusty's activities through our client relationship management system.

Contact Tom Ricks at 877-225-3839 or tom@etexfinancial.com

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

Sandra L. Anderson, CPA, PFS, CFP® - Investment Advisor Representative**Educational Background:**

- Date of birth: 4/2/1955
- Institutions: Missouri State University, BS Accounting 1976
University of Texas at Dallas – MS Finance 1982
SMU Certificate Program in Financial Planning 2010

Business Experience:

Ms. Anderson, a US Army veteran, has an extensive background in corporate finance which began in 1979. During this time she served in various roles in Operations, Finance, Financial Planning and Accounting, and is well versed in all aspects of finance, business operations, risk and asset protection. Running parallel to the corporate roles, she has been in the financial services industry since 2005. In 2011, Ms. Anderson attained the designation as a CFP® certificant and is an active member of the Financial Planning

Association and the Dallas Chapter of the Texas Society of CPA's. She has been actively involved as a comprehensive financial planner for individuals and businesses since that date.

Disciplinary Information: None

Other Business Activities: CPA, Texas Instruments Dallas, TX

Additional Compensation: Salary from Texas Instruments

Supervision:

Sandy Anderson, CPA CFP® is supervised by Tom E. Ricks, CFP® Chief Compliance Officer. He reviews Sandy's work through frequent office interactions as well as remote interactions. He also reviews Sandy's activities through our client relationship management system.

Contact Tom Ricks at 877-225-3839 or tom@etexfinancial.com

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None