Kevin Wayne Margolis, CPA/PFS

SFMG Wealth Advisors

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December 2024

This brochure supplement provides information about our advisors that supplements the SFMG Wealth Advisors brochure. You should have received a copy of that brochure. Please contact Crystal Billing, SFMG's Chief Compliance Officer, at 972-960-6460 if you did not receive SFMG Wealth Advisors' brochure or if you have any questions about the contents of this supplement. Additional information about any of these individuals is available on the SEC's website at www.adviserinfo.sec.gov.

Kevin Wayne Margolis, CPA/PFS, born 1967

EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Business Background:
Managing Director and Chief Executive Officer, SFMG Wealth Advisors, February 2007 – present
Managing Member, KMIG I, LLC, February 2007 – March 2010
President and Sole Member, KWM Wealth Management, LLC (This Limited Liability Corporation was a managing member of SFMG, L.L.C. dba Strategic Financial Management Group.), May 2002 – December 2007

Education:
The University of Texas at Austin, BBA Accounting/Finance, 1989
Certified Public Accountant, 1991(See final pages for information on this certification)
Personal Financial Specialist, 1993 (See final pages for information on this certification)

DISCIPLINARY INFORMATION

Kevin has had no disciplinary or legal events that would be material to a client or prospective client.

OTHER BUSINESS ACTIVITIES

Registered investment advisors are required to disclose any other business activity or occupation in which the supervised person is actively engaged.

Kevin serves on the Advisory Boards for Clear Sky Capital and Phoenix Fund IX and X, all of which are investment managers for private issues which SFMG recommends to some clients. His roles did not precede these recommendations, and he is not compensated based on SFMG client investments in any of the sponsored funds.

The managing directors of SFMG are also members of Confidence Period, LLC, an entity formed for the purpose of collectively investing in private investments. SFMG may recommend these private investments to their advisory clients. By way of this investment, Kevin, who is also an investor, may benefit from profits and/or performance of the underlying investments. SFMG acknowledges that this arrangement is a conflict of interest, however, we have implemented stringent measures to ensure that our clients' interests remain paramount and unaffected via adherence to policies that only suitable recommendations are made to SFMG clients. In addition, the conflict is mitigated through the administration of SFMG's Code of Ethics.

ADDITIONAL COMPENSATION

SFMG Wealth Advisors is a Fee-Only firm and receives no other compensation other than the fees we receive from clients for the services we provide as described in Item 5 of our ADV 2A brochure. In addition to his regular compensation for providing advisory services to clients, Kevin receives a percentage of the advisory fees we receive from new clients he brings to the Firm.

SUPERVISION

As a Managing Director of the firm, Kevin meets regularly with the Managing Director Group to discuss investment guidelines and to set company policies. Kevin participates in SFMG's investment committee meetings and manages portfolios for clients of SFMG. All supervised persons are subject to SFMG's internal controls and compliance policies and procedures, overseen by Chief Compliance Officer, Crystal Billing and her designees on the Compliance team. Crystal may be reached at 972-960-6460.

CERTIFICATION INFORMATION

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 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. The vast majority of state boards of accountancy have adopted the AICPA's *Code of Professional Conduct* within their state accountancy laws or have created their own.

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, fulfill 3,000 hours of personal financial planning business experience, complete 80 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 is encouraged to follow AICPA's Statement on Responsibilities in Financial Planning Practice. 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.