

# Part 2A of Form ADV: Firm Brochure

## Item 1: Cover Page

Name of Investment Advisor	<b>eSmeb Incorporated</b>
CRD #:	<b>152361</b>
Business Address	<b>964 Rhonda Place SE Leesburg VA, 20175</b>
Website	<a href="http://WaterfallWealth.ai">WaterfallWealth.ai</a>
Date of Brochure	<b>3/5/2026</b>

This brochure provides information about the qualifications and business practices of eSmeb Incorporated. 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's registration does not denote a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at [support@esmeb.com](mailto:support@esmeb.com)

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

## Item 2: Material Changes

**There are no material changes since the 11/24/2025 brochure.**

### Item 3: Table of Contents

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

eSmeb Incorporated (“eSmeb”, “we”, “us”) is a technology-driven investment advisory firm founded in 2003. In 2010 the company registered with Virginia as an Investment Advisor. In 2025 the company registered with the U.S. Securities and Exchange Commission (“SEC”) as an Internet Adviser under Rule 203A-2(e) of the Investment Advisers Act of 1940. The firm operates primarily through its online platform, [WaterfallWealth.ai](https://WaterfallWealth.ai), which provides automated investment management and portfolio construction tools to clients.

eSmeb provides investment advice exclusively through its automated, Internet-based platform. No individual supervised person provides personalized advice to clients. Accordingly, eSmeb is not required to deliver separate brochure supplements (Form ADV Part 2B).

eSmeb does not provide individualized financial planning, tax, or estate advice. However, our platform offers interactive tools and resources — such as goal-based planning, retirement modeling, cash flow projections, educational insights, and potential AI Agents — designed to help clients explore these areas on a self-directed basis.

These tools are general in nature, rely on the information you provide, and do not replace the advice of a qualified financial, legal, or tax professional.

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### B. Types of Advisory Services

eSmeb offers digital investment management services delivered entirely through its Internet platform, [WaterfallWealth.ai](https://WaterfallWealth.ai).

Clients may choose among:

1. **Managed Buckets** – Pre-configured model portfolios created and maintained by eSmeb or the eSmeb community. These are automatically monitored, adjusted, and rebalanced using our proprietary trend-based and risk management algorithms; and
2. **Custom Portfolios** – Self-directed portfolios where clients select individual stocks or exchange-traded funds (“ETFs”) available on the platform, with optional automated allocation from our algorithm.

Our system provides continuous monitoring, automatic rebalancing for managed programs, and portfolio analytics. Advisory services are offered exclusively through the Internet, without in-person meetings, in accordance with SEC Internet Adviser Rule 203A-2(e)

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## C. Tailoring of Advisory Services

Clients tailor their investment experience by selecting either managed “bucket” portfolios or custom self-directed portfolios.

For managed programs, eSmeb exercises limited discretionary authority to adjust security weightings and rebalance portfolios within the client-selected strategy.

For custom portfolios, eSmeb provides automated tools and analytics; clients retain discretion over security selection.

Beyond the information clients input into the platform, we do not provide individualized advice. Clients are responsible for determining whether our services are appropriate for their circumstances and investment objectives.

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## D. Wrap Fee Programs

eSmeb does not participate in wrap fee programs. Brokerage and custodial services are provided by **Alpaca Securities LLC** or **Interactive Brokers LLC**, members FINRA/SIPC. Clients may incur transaction fees charged by Alpaca or Interactive Brokers. eSmeb charges either an **asset-based fee (percentage of assets under management)** or a **fixed monthly subscription fee**, depending on the client’s selected program.

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## E. Amount of Client Assets Managed

As of 12/31/2025, eSmeb manages approximately \$10,000 in client assets, of which approximately \$10,000 was managed on a discretionary basis and \$0 on a non-discretionary basis.

Because clients can both (1) create their own portfolios and (2) allow eSmeb to automatically adjust allocations and assets using its algorithm, we exercise **limited discretionary authority** for clients who enroll in managed “bucket” programs, but do not exercise full discretion over individual security selection for custom portfolios unless the client elects that feature.

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## F. Future Services and AI-Driven Tools

Over time, eSmeb intends to expand its online platform to include additional automated tools and educational resources that assist clients with broader aspects of personal finance—such as budgeting, savings goals, tax-optimization concepts, and estate-planning awareness.

These features may include AI-driven agents that interact with clients within the website to provide educational content, portfolio insights, and automated guidance.

Such AI agents will operate solely through our Internet platform under parameters established by eSmeb and will not constitute individualized financial, tax, or legal advice from a human advisor.

All future tools will remain consistent with our registration as an Internet Adviser under SEC Rule 203A-2(e). Clients seeking comprehensive, personalized financial, tax, or estate advice are encouraged to consult appropriately licensed professionals.

## Item 5: Fees and Compensation

### A. Advisory Fees

eSmeb Inc. (“eSmeb”) charges clients either a **platform subscription fee** or an **asset-based advisory fee**, but **never both for the same period**. Fees are fully disclosed before account opening.

#### 1. Platform Subscription Fee:

Clients pay a platform fee to access eSmeb’s online investment platform, account management tools, and automated portfolio services.

- Subscription fees generally range from **\$29 to \$499 per month**, depending on the service tier. Fees are paid monthly in advance.
- Fees can be paid in advance to receive a discount. Annual prepayments cover 12 months of service. Bi-Annual prepayments cover 6 months of service. Quarterly prepayments cover 3 months of service. All prepayments are refundable on a prorated basis if the agreement terminates early.
- eSmeb does not require or accept prepayment of more than \$1,200 per client, six months or more in advance.

#### 2. Asset-Based Advisory Fee:

Clients pay an annual advisory fee based on a percentage of assets under management (“AUM”).

- The annual fee generally ranges from **0.3% to 1.2% of AUM**, depending on the selected program or portfolio type.
- Fees are calculated based on the account’s market value as of the last calendar day of each month. AUM fees are billed monthly in arrears.

To prevent overlapping charges:

- If a client’s calculated monthly AUM Advisory fee exceeds the platform subscription fee, the platform subscription fee is waived for that month (or credited if prepaid).
- If a client’s calculated AUM Advisory fee is less than the platform subscription fee, the AUM fee is waived for that month, and only the platform subscription fee applies.
- This ensures that clients pay whichever fee is higher for each period, but never both.

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### B. Billing Method

Fees may be **deducted directly from client accounts** held at the qualified custodian (Alpaca Securities LLC or Interactive Brokers LLC), pursuant to written authorization from the client.

Clients receive a statement from the custodian showing the amount of advisory fees and platform fees deducted.

eSmeb's fees are **exclusive of brokerage commissions, transaction fees, and other costs** charged by the custodian.

Clients may elect to be billed for fees instead of deducting directly from client accounts.

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## **C. Other Fees and Expenses**

Clients may incur additional charges imposed by third parties, including:

- brokerage commissions, margin interest, or transaction fees,
- exchange or regulatory fees,
- custodial fees, and
- wire transfer or account maintenance fees.

These charges are **not included** in eSmeb's advisory fees and are paid separately to the broker-dealer or custodian.

eSmeb does not receive any portion of these third-party fees.

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## **D. Fees Paid in Advance, Fee Negotiation, and Fee Minimums**

The **Platform Subscription Fee** is paid monthly in advance. Customers may pay multiple months of the **Platform Subscription Fees** in advance to receive a discount. All prepayments are refundable on a prorated basis if the agreement terminates early.

The **Asset-Based Advisory Fee** is paid monthly in arrears.

eSmeb reserves the right to negotiate fees with clients or to waive minimum account requirements at its discretion.

Fees may be discounted for promotional programs, referrals, or other arrangements consistent with applicable laws and regulations.

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## **E. Compensation for the Sale of Securities or Other Investment Products**

Neither eSmeb nor any of its supervised persons accepts commissions, compensation, or other economic benefits for the sale of securities or investment products.

We are a **fee-only adviser** and receive compensation solely from the advisory fees described above.

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## **F. Refunds and Termination**

Clients may terminate their advisory agreement at any time by providing written notice through the platform.

Any prepaid but unearned fees will be refunded on a prorated basis within 30 days of termination.

If an account is closed mid-month, the advisory fee will be prorated through the termination date.

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## **G. Additional Information**

All fee information is fully disclosed before account opening. Clients are encouraged to carefully review the fee schedule and custodial disclosures prior to engaging eSmeb's services.

eSmeb does not require or accept prepayment of fees of more than \$1,200 per client, six months or more in advance.

## Item 6: Performance-Based Fees and Side-By-Side Management

eSmeb does not charge performance-based fees.

## Item 7: Types of Clients

eSmeb Inc. (“eSmeb”) provides investment advisory services primarily to **individual investors, companies, and pooled investment vehicles or funds** seeking to access automated, rules-based portfolio management through the online platform at [WaterfallWealth.ai](https://WaterfallWealth.ai).

All client interactions and services are delivered exclusively via an Internet-based system consistent with the Internet Adviser Rule 203A-2(e) of the Investment Advisers Act.

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### Minimum and Maximum Account Guidelines

eSmeb does not impose a fixed minimum account size required to open or maintain an account. However, eSmeb recommends minimum and maximum asset levels for each service tier to ensure that client fees remain appropriate relative to assets under management and that clients receive services aligned with their account size.

These recommendations are not binding and may be waived at eSmeb’s discretion. Clients may choose to enroll in any tier regardless of their asset level, but they should understand that the platform fee may represent a higher percentage of their assets in smaller accounts.

The recommended minimums are designed to avoid cases where platform fees would exceed approximately **2.5% of account value annually**.

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### Service Tiers

Recommended Minimum AUM	Maximum AUM	Platform Fee	Advisory Fee (AUM-Based)	Notes
\$100	\$50,000	Waived	Waived	Available only to smaller accounts under \$50,000
\$15,000	\$250,000	\$29 - \$39 / month	0.025% per month (0.3% annualized)	Lower-fee tier for moderate accounts
\$50,000	Unlimited	\$82.50 - \$99 / month	0.05% per month (0.6% annualized)	Standard tier
\$250,000	Unlimited	\$400 - \$499 / month	0.1% per month (1.2% annualized)	Advanced tier access to API’s and algorithms

## **Tier Structure and Waivers**

eSmeb may, at its discretion, waive platform or advisory fees for promotional purposes, beta testing, or limited-time free access programs.

Clients in smaller tiers may qualify for a “free” version of the service when assets under management are below \$50,000.

Clients may upgrade or downgrade between tiers at any time through the online platform, subject to any billing cycle adjustments.

Different Tier’s provide access to different levels of service. Including different available securities, risk rules, planning tools, AI agents, portfolio construction, and algorithm customizations.

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## **Suitability and Access**

These guidelines are intended to ensure fair pricing relative to account size and are not intended to restrict access.

eSmeb does not discriminate among clients based on account size, wealth, or investment experience.

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

### A. Methods of Analysis

eSmeb Inc. (“eSmeb”) provides investment advice through an online platform that uses quantitative and algorithmic methods to analyze securities and recommend or manage portfolios.

Our analysis focuses primarily on **publicly traded stocks and exchange-traded funds (ETFs)**. We use data-driven models to evaluate market trends, momentum, volatility, diversification, fundamentals, and historical performance characteristics of securities.

The platform’s core technology includes:

- **Algorithmic Trend Weighting** – adjusting relative allocations based on market trends and statistical indicators
- **Diversification Metrics** – monitoring concentration across sectors, regions, asset classes, and statistical correlation.
- **Risk Scoring** – assigning volatility or drawdown sensitivity scores to securities and portfolios.
- **Efficient Frontier** – balancing and constructing portfolios to seek positive risk-adjusted returns.
- **Scalping** – Placing limit orders slightly away from the current market price. This is used to constantly adjust portfolios. This can result in frequent trading which increases transaction costs.

These tools are integrated into client-facing “Buckets” (predefined portfolios) and optional automated weighting systems for custom portfolios.

Our goal is to provide consistent, transparent, and rules-based portfolio guidance that helps clients maintain discipline and diversification.

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### B. Investment Strategies

eSmeb’s platform supports two primary strategy types:

1. **Managed Buckets:**

- Predefined portfolios designed and monitored by eSmeb and/or the eSmeb community.
- Each bucket represents a distinct investment theme, sector mix, or risk tolerance profile.
- eSmeb maintains discretion to rebalance or adjust assets, and allocations within each bucket consistent with its model parameters.

## 2. Custom Portfolios:

- Clients may select their own individual securities or ETFs.
- eSmeb provides automated tools and data insights, but clients retain ultimate discretion over their selections.
- eSmeb may offer optional features such as trend-based weighting or automatic rebalancing, or min/max weights.

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## C. Technology-Enabled Advice and AI Tools

All analysis and portfolio management is delivered through eSmeb's **Internet-based advisory platform**.

eSmeb's system may include machine-learning or AI components that assist with portfolio monitoring, risk detection, or educational feedback.

Future versions of the platform may deploy **AI-powered agents** to provide clients with personalized educational guidance, scenario modeling, or automated savings projections.

These tools operate solely under parameters established by eSmeb and do not replace individualized advice from a licensed financial professional.

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## D. Risk of Loss

Investing in securities involves risk of loss that each client should be prepared to bear.

All investments carry inherent risks, including the potential loss of principal.

Clients should carefully consider their financial situation and risk tolerance before investing.

Key risks include, but are not limited to:

- **Market Risk:** The value of securities may decline due to general market conditions.
- **Equity Risk:** Stock prices may fluctuate due to company performance, sector shifts, or economic trends.
- **ETF Risk:** ETFs are subject to market risk and may not perfectly track their underlying index.
- **Algorithmic/Model Risk:** Automated or quantitative models rely on historical data and statistical assumptions that may not predict future results.
- **Rebalancing Risk:** Periodic adjustments may create transaction costs or tax consequences.
- **Technology and Operational Risk:** eSmeb's platform depends on the reliability of internet connectivity, data sources, and software systems. Interruptions or errors could temporarily affect performance or trade execution.
- **Liquidity Risk:** Certain securities or ETFs may experience reduced liquidity, increasing trading costs or limiting timely execution.
- **Discretionary Management Risk:** For managed buckets, eSmeb may exercise limited discretion to rebalance portfolios. Although intended to maintain consistency with model objectives, such actions may not always improve returns.

Past performance is not indicative of future results.

Clients should understand that algorithmic or trend-following approaches may experience periods of underperformance compared to other strategies.

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## **E. Risk Management**

eSmeb manages risk primarily through diversification, periodic rebalancing, and continuous monitoring of market conditions.

However, no system or model can eliminate investment risk.

Clients remain responsible for selecting an appropriate risk tier and ensuring that the portfolio aligns with their objectives and time horizon.

## Item 9: Disciplinary Information

There are no legal or disciplinary events material to a client or prospective client's evaluation of the advisory business or to the integrity of management.

## Item 10: Other Financial Industry Activities and Affiliations

eSmeb Inc. is an independent investment adviser. None of its principals is registered as a broker-dealer, futures commission merchant, or insurance agent, and none is affiliated with such entities.

### **Affiliated Entities**

eSmeb Inc. has affiliated entities under common ownership:

- **WaterfallWealth LLC** – A marketing and technology affiliate that operates the website [WaterfallWealth.ai](https://www.waterfallwealth.ai) and performs promotional and client-acquisition activities for eSmeb Inc. WaterfallWealth LLC is not itself an investment adviser, broker-dealer, or financial institution. eSmeb Inc. compensates WaterfallWealth LLC for marketing services pursuant to a written Promoter Agreement (see Item 14).
- **FTToken Inc.** – A separate technology company majority-owned by one of eSmeb's principals. FTToken Inc. provides certain software infrastructure and platform services used by eSmeb Inc. and by WaterfallWealth LLC to operate its digital investment platform. FTToken Inc. does not provide investment advice or have access to client funds or trading authority.

These relationships may create a potential conflict of interest because eSmeb's principals have an incentive to use affiliated entities and offer securities in either.

eSmeb Inc. has no other financial industry affiliations material to its advisory business.

### **Principals Are Not Full Time**

eSmeb principals hold full-time positions at non-financial industry companies. This may create a conflict of interest because eSmeb's principals may not invest the time required, nor be available.

### **Key Person Risk**

Due to the Firm's size, the Chief Executive Officer also serves as the Chief Compliance Officer. The Firm believes this structure is reasonable and consistent with SEC guidance for small advisers. Compliance reviews, fee reconciliations, and policy oversight are documented to mitigate any potential conflict of interest.

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

## A. Code of Ethics

eSmeb Inc. (“eSmeb”) has adopted a written **Code of Ethics** pursuant to Rule 204A-1 under the Investment Advisers Act of 1940.

Our Code of Ethics sets forth standards of conduct for all supervised persons, requiring honesty, integrity, and compliance with both the letter and spirit of applicable securities laws.

The Code addresses, among other topics:

- compliance with federal securities laws;
- avoidance of conflicts of interest;
- personal trading restrictions and reporting requirements;
- confidentiality of client information; and
- fiduciary duties to place client interests ahead of those of the firm or its personnel.

A copy of eSmeb’s Code of Ethics is available to any client or prospective client upon request by contacting [support@esmeb.com](mailto:support@esmeb.com).

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## B. Participation or Interest in Client Transactions

From time to time, eSmeb or its associated persons may hold or trade in the same securities that are recommended to clients or included in model portfolios on the platform.

Such transactions may present potential conflicts of interest.

To mitigate these conflicts:

- Personal transactions may not disadvantage clients or be based on nonpublic information about client trades; and
- Personal transactions cannot front-run clients; and
- all personal trading activity is reviewed periodically by the firm’s compliance officer.

eSmeb does not act as principal in any transactions with clients (i.e., we do not buy securities directly from, or sell directly to, clients).

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### **C. Private Securities and Proprietary Interests**

eSmeb or its principals may from time to time offer or recommend interests in private securities or private placements to qualified clients or accredited investors.

Such offerings, if any, will be made only pursuant to applicable exemptions from registration and accompanied by appropriate risk disclosures.

Any investment in a security in which eSmeb or its personnel have a financial interest will be fully disclosed to the client in writing prior to the transaction, and the client will have sole discretion whether to invest.

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### **D. Personal Trading**

Employees and access persons of eSmeb may buy or sell the same securities for their own accounts that are also recommended to clients or included in eSmeb's models.

These trades are permitted only to the extent that they:

- do not conflict with the firm's fiduciary duties;
- are conducted in accordance with the Code of Ethics;

eSmeb's policy prohibits front-running, misuse of nonpublic information, or trading that would disadvantage clients.

## Item 12: Brokerage Practices

### A. Selection of Broker-Dealers

eSmeb Inc. (“eSmeb”) does not maintain physical custody of client assets. Client accounts are held at independent qualified custodians.

eSmeb currently uses **Alpaca Securities LLC** (member FINRA/SIPC) and **Interactive Brokers LLC** (member FINRA/SIPC) to provide trade execution, clearing, and custody of client assets.

eSmeb selects the broker-dealer for clients during onboarding.

Both custodians were selected based on their:

- low transaction-cost structure,
- electronic trading capabilities and integration with eSmeb’s digital platform,
- clearing and settlement reliability, and
- overall service quality and regulatory standing.

eSmeb does not receive any portion of brokerage commissions or other compensation from either custodian.

The firm periodically reviews the quality of execution and pricing obtained through these custodians.

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### B. Best Execution

In accordance with its fiduciary duty, eSmeb seeks to obtain **best execution** for client transactions.

Because all trades are routed electronically through the selected custodian’s platform, eSmeb relies on that custodian’s order-routing policies to obtain competitive execution prices.

No assurance can be given that the lowest possible transaction cost will always be achieved, as factors such as order size, timing, and market conditions may affect execution.

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### C. Soft-Dollar Arrangements

eSmeb does **not** have any soft-dollar arrangements and does **not** receive research, software, or other benefits from any broker-dealer in connection with client transactions.

All research and technology used by eSmeb are paid for directly by the firm.

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## **D. Brokerage for Client Referrals**

eSmeb does not select or recommend broker-dealers in return for client referrals or other forms of compensation.

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## **E. Directed Brokerage**

Clients may not direct eSmeb to execute trades through a broker-dealer of their choice.

Client trades are executed automatically through the custodian linked to the eSmeb platform, and no separate trade instructions are required.

This is due to the automation and integration necessary to run the investment platform solely through the internet.

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## **F. Order Aggregation**

Client trades are generally executed on an individual basis through the custodian's automated order system.

When multiple clients hold the same security in a managed bucket portfolio, eSmeb's system may aggregate trades to improve efficiency and reduce transaction costs.

In such cases, all aggregated trades receive the same average execution price and are allocated fairly among clients.

Typically, client trades are processed in a batch that loops through each customer and creates orders through the custodian's order system.

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## **G. Custodial Fees and Expenses**

Each custodian may charge separate fees for brokerage services, trade execution, wire transfers, regulatory fees, or account maintenance.

These charges are **in addition to** eSmeb's advisory or platform fees and are disclosed by the custodian on client account statements.

eSmeb does not share in these fees.

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## **H. Trade Errors**

If a trade error occurs, eSmeb will promptly correct it in a manner that does not disadvantage the client.

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## **I. Execution and Custody Review**

eSmeb periodically reviews the execution and custody arrangements offered by Alpaca Securities LLC and Interactive Brokers LLC to confirm that they continue to meet the firm's standards for cost, reliability, and service quality.

Any material changes will be disclosed to clients.

## Item 13: Review of Accounts

### A. Periodic Reviews

eSmeb Inc. (“eSmeb”) monitors all client accounts on a **continuous and automated basis** through its online advisory platform.

The platform reviews portfolio holdings, performance, and allocation targets daily using eSmeb’s proprietary algorithms.

For managed “Bucket” portfolios, the system automatically evaluates:

- adherence to target allocations,
- market-trend and risk indicators, and
- cash balance and investment drift.

For self-directed or custom portfolios, the system provides tools for clients to view drift, diversification metrics, and trend data.

When either managed, or self-directed allocations move outside defined thresholds, eSmeb’s system may generate rebalancing transactions.

These reviews are algorithmic in nature; no human adviser is required for portfolio supervision under the Internet Adviser model.

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### B. Supervisory Reviews

eSmeb’s compliance team and portfolio-engineering staff periodically review system performance, model outputs, and algorithm parameters to ensure that the platform continues to function as designed and to comply with the firm’s investment and disclosure policies.

The **Chief Compliance Officer (CCO)** performs at least **quarterly reviews** of sample accounts to confirm that client portfolios are being managed consistent with their selected strategies and parameters.

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### C. Reports to Clients

Clients have **24-hour online access** to their account information through the [WaterfallWealth.ai](https://www.waterfallwealth.ai) platform, including:

- current portfolio holdings,
- performance summaries,
- transaction history, and
- realized and unrealized gains or losses.

Clients also receive **account statements directly from their custodian** (Alpaca Securities LLC or Interactive Brokers LLC) at least **quarterly**, showing all activity and fee deductions.

In addition to account data, eSmeb provides access to **digital financial tools** within the platform, such as:

- **goal-based planning** (e.g., retirement, savings, or income projections), and
- **progress-tracking dashboards** that allow clients to visualize their investment path relative to selected objectives, and

Over time, eSmeb plans to expand these tools through the use of **AI-driven agents** that can automatically generate reports, educational insights, and personalized recommendations based on client goals and account behavior—without the need for direct human interaction.

These AI agents will operate strictly within defined compliance parameters and provide guidance and education consistent with the client's profile and selected investment strategy, rather than individualized financial planning advice.

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## D. Triggered Reviews

Automated or manual reviews may also occur when:

- clients deposit or withdraw funds;
- clients change investment preferences or tier selections;
- market conditions materially change; or
- compliance or algorithm-monitoring flags an anomaly.

These reviews ensure that client portfolios remain consistent with stated investment parameters.

## Item 14: Client Referrals and Other Compensation

### A. Marketing Affiliate – WaterfallWealth LLC

eSmeb Inc. (“eSmeb”) has a marketing and technology-services affiliate, **WaterfallWealth LLC** (“WaterfallWealth”), which operates the public-facing website [WaterfallWealth.ai](https://WaterfallWealth.ai) and conducts promotional and advertising activities for eSmeb’s advisory services.

WaterfallWealth LLC is **compensated by eSmeb** for marketing and client-acquisition services. Compensation may be structured as a **flat fee, revenue share, or percentage of advisory fees** received from clients, consistent with regulatory guidelines.

The relationship between the two entities is governed by a written **Promoter and Marketing Agreement** compliant with Rule 206(4)-3 of the Investment Advisers Act of 1940.

All marketing materials distributed by WaterfallWealth are reviewed for compliance by eSmeb prior to publication.

Clients who learn about eSmeb through WaterfallWealth will receive a disclosure explaining this relationship and any associated compensation.

WaterfallWealth LLC is **not itself an investment adviser** and does not provide individualized investment advice.

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### B. Promoter Referral Program (Third-Party Solicitors)

eSmeb may enter into referral or partnership arrangements with outside entities—including influencers, publishers, or content platforms—that refer prospective clients to eSmeb in exchange for compensation.

All such partners will operate under a written **Promoter Agreement** that:

- clearly discloses the nature of the relationship and compensation;
- requires the delivery of eSmeb’s Form ADV Part 2A and solicitor disclosure statement to each prospect; and
- complies with the Investment Advisers Act and any applicable state notice-filing requirements.

Compensation to partner referrers may be structured as a **flat fee, revenue share, or percentage of advisory fees** received from referred clients, consistent with regulatory guidelines.

No solicitor will provide investment advice on behalf of eSmeb.

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## C. Client Referral Program

eSmeb also offers a **client-to-client referral program** that rewards existing clients for introducing new clients to the platform.

Under this program:

- Both the referring and the referred client receive **platform-fee** and/or **AUM advisory-fee rebates** when the referred client signs up for an annual plan. They may receive rebates when a referred client signs up for a monthly plan.
- Rebates are applied as **service-fee** and/or **advisory-fee credits** (not cash payments).
- The referral benefit has **no cash value** and cannot be redeemed for money or transferred.
- Rebates are capped at \$1,000 per year. For a client to receive additional referral compensation, they must enroll in the **Promoter Referral Program**.

All referral credits are applied automatically within the billing system and are disclosed in program terms available through the client portal.

Because these incentives are non-cash and of de minimis value, they do not create a material conflict of interest.

eSmeb may modify or discontinue the program at any time.

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## D. Other Compensation

Neither eSmeb nor any of its supervised persons receives compensation from third parties for recommending or selling securities or investment products.

All advisory compensation is received directly from clients under the fee structures described in **Item 5 (Fee and Compensation)**.

## Item 15: Custody

eSmeb Inc. does not maintain physical custody of client funds or securities. Client assets are held at qualified custodians such as **Alpaca Securities LLC** or **Interactive Brokers LLC**, both unaffiliated registered broker-dealers.

eSmeb Inc. is deemed to have **custody** of client assets **solely because it is authorized to deduct advisory and platform fees** directly from client accounts, as provided in each client's advisory agreement and custodian authorization.

Clients receive **account statements directly from their custodian** at least quarterly. Clients are encouraged to carefully review these statements and compare them to any account summaries, fee invoices, or performance reports provided by eSmeb Inc.

eSmeb Inc. does not accept or maintain client checks, cash, or securities, nor does it have any other access to client funds.

If eSmeb Inc. were ever to obtain additional custody beyond fee deduction (for example, by receiving standing letters of authorization), the firm would comply with applicable **Custody Rule requirements**, including surprise examinations or enhanced disclosures as required by Rule 206(4)-2.

Certain clients may choose to prepay annual platform fees. These prepayments are under \$1,200, consistent with SEC guidance. eSmeb Inc. does not hold such fees in custody but immediately applies them to cover upcoming platform service periods.

## Item 16: Investment Discretion

eSmeb Inc. provides its investment management services primarily on a **discretionary basis**.

When clients open an account, they grant eSmeb discretionary authority to determine the specific securities to buy or sell, the timing of transactions, and the amount of securities to be transacted, consistent with the client's selected investment program or "bucket."

Discretionary authority is granted through the client's advisory agreement and the custodial account authorization at the broker-dealer (such as Alpaca Securities LLC or Interactive Brokers LLC). This authority allows eSmeb to implement investment decisions on behalf of clients without obtaining prior approval for each transaction.

eSmeb's digital platform allows clients to customize their portfolios by selecting from available specific securities or thematic "buckets." Within these client-defined parameters, eSmeb's algorithms may automatically adjust allocations, rebalance holdings, or execute trades designed to maintain alignment with the chosen strategy.

Clients may change or revoke discretionary authority at any time by updating their account settings or providing written notice to eSmeb and the custodian.

eSmeb does not exercise discretion beyond the scope authorized by clients and does not have authority to withdraw or transfer client funds, except for the deduction of agreed-upon advisory or platform fees as described in Item 15.

Clients retain full control over account deposits and withdrawals and may override or modify investment allocations at any time through the eSmeb platform. eSmeb's discretionary authority is limited to implementing the investment strategy chosen by the client.

## Item 17: Voting Client Securities

eSmeb Inc. does **not** vote proxies on behalf of clients. Clients retain exclusive authority and responsibility for receiving and voting all proxies and other shareholder communications for securities held in their accounts.

Clients will receive proxy materials and other issuer communications directly from their account custodian (such as Alpaca Securities LLC or Interactive Brokers LLC). Clients should follow the instructions provided by their custodian to submit votes or other corporate-action responses.

eSmeb Inc. may, upon request, provide clients with general educational information about proxy issues or direct them to public resources, but eSmeb Inc. does not render advice about specific proxy proposals or attempt to influence client votes.

Because eSmeb Inc. does not vote proxies, the firm does **not maintain proxy-voting policies or records** under Rule 206(4)-6 of the Investment Advisers Act. Clients who have questions about a particular proxy or issuer communication should contact their custodian directly.

## Item 18: Financial Information

eSmeb Inc. does not require or solicit prepayment of advisory fees exceeding \$1,200 in advance and therefore is not required to include a balance sheet with this brochure.

eSmeb Inc. is a financially sound early-stage advisory firm and has no financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. eSmeb maintains sufficient working capital to operate its advisory business and meet all client obligations.

eSmeb Inc. and its management have **not been the subject of any bankruptcy petition** during the past ten years.