

Uniform Application for Investment Adviser Registration

OMB APPROVAL	
OMB Number:	3235-0049
Expires:	February 28, 2011
Estimated average burden hours per response. 4.07	

Name of Investment Adviser: Exchange Capital Management, Inc.					
Address: (Number and Street)	(City)	(State)	(Zip Code)	Area Code	Telephone Number
303 Detroit Street Suite 203	Ann Arbor	MI	48104	(734)	761-6500

This part of Form ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any governmental authority.

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential persons who are to respond to the collection of information contained in this form
are not required to respond unless the form displays a currently valid OMB control number.

1.
A.
Advisory Services and Fees. (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service.
(See instruction below.)

Applicant:

<input type="checkbox"/>	(1)	Provides investment supervisory services	100	%
<input type="checkbox"/>	(2)	Manages investment advisory accounts not involving investment supervisory services		%
<input type="checkbox"/>	(3)	Furnishes investment advice through consultations not included in either service described above		%
<input type="checkbox"/>	(4)	Issues periodicals about securities by subscription		%
<input type="checkbox"/>	(5)	Issues special reports about securities not included in any service described above		%
<input type="checkbox"/>	(6)	Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities		%
<input type="checkbox"/>	(7)	On more than an occasional basis, furnishes advice to clients on matters not involving securities		%
<input type="checkbox"/>	(8)	Provides a timing service		%
<input type="checkbox"/>	(9)	Furnishes advice about securities in any manner not described above		%

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

B.
Does applicant call any of the services it checked above financial planning or some similar term?

Yes No
☒ ☐

C.
Applicant offers investment advisory services for: (check all that apply)

<input checked="" type="checkbox"/>	(1)	A percentage of assets under management	<input type="checkbox"/>	(4)	Subscription fees
<input type="checkbox"/>	(2)	Hourly charges	<input type="checkbox"/>	(5)	Commissions
<input type="checkbox"/>	(3)	Fixed fees (not including subscription fees)	<input type="checkbox"/>	(6)	Other

D.
For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2.
Types of Clients — Applicant generally provides investment advice to: (check those that apply)

3.
Types of Investments.
Applicant offers advice on the following: (check those that apply)

☒
A.
Equity securities

☒
(1)
exchange-listed securities

☒
(2)
securities traded over-the-counter

☐
(3)
foreign issuers

☒
B.
Warrants

☒
C.
Corporate debt securities (other than commercial paper)

☒
D.
Commercial paper

☒
E.
Certificates of deposit

☒
F.
Municipal securities

G.
Investment company securities:

☐
(1)
variable life insurance

☒
(2)
variable annuities

☒
(3)
mutual fund shares

☒
H.
United States government securities

I.
Options contracts on:

☒
(1)
securities

☐
(2)
commodities

J.
Futures contracts on:

☐
(1)
tangibles

☐
(2)
intangibles

K.
Interests in partnerships investing in:

☐
(1)
real estate

☐
(2)
oil and gas interests

☐
(3)
other (explain on Schedule F)

☒
L.
Other (explain on Schedule F)

4.
Methods of Analysis, Sources of Information, and Investment Strategies.

A.
Applicant's security analysis methods include: (check those that apply)

(1)
☒
Charting

(2)
☒
Fundamental

(3)
☒
Technical

(4)
☒
Cyclical

(5)
☐
Other (explain on Schedule F)

B.
The main sources of information applicant uses include: (check those that apply)

(1)
☒
Financial newspapers and magazines

(2)
☐
Inspections of corporate activities

(3)
☒
Research materials prepared by others

(4)
☒
Corporate rating services

(5)
☐
Timing services

(6)
☒
Annual reports, prospectuses, filings with the Securities and Exchange Commission

(7)
☒
Company press releases

(8)
☐
Other (explain on Schedule F)

C.
The investment strategies used to implement any investment advice given to clients include: (check those that apply)

(1)
☒
Long term purchases
(securities held at least a year)

(2)
☒
Short term purchases
(securities sold within a year)

(3)
☒
Trading (securities sold within 30 days)

(4)
☒
Short sales

(5)
☒
Margin transactions

(6)
☒
Option writing, including covered options, uncovered options, or spreading strategies

(7)
☐
Other (explain on Schedule F)

5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? Yes No
☒ ☐

(If yes, describe these standards on Schedule F.)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- formal education after high school
- year of birth
- business background for the preceding five years

7. Other Business Activities. (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- | | |
|--|--|
| <input checked="" type="checkbox"/> (1) broker-dealer | <input type="checkbox"/> (7) accounting firm |
| <input type="checkbox"/> (2) investment company | <input type="checkbox"/> (8) law firm |
| <input type="checkbox"/> (3) other investment adviser | <input type="checkbox"/> (9) insurance company or agency |
| <input type="checkbox"/> (4) financial planning firm | <input type="checkbox"/> (10) pension consultant |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer |
| <input type="checkbox"/> (6) banking or thrift institution | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? Yes No
☐ ☒

(If yes, describe on Schedule F the partnerships and what they invest in.)

9. Participation or Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☒ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

10. Conditions for Managing Accounts. Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services and impose a minimum dollar value of assets or other conditions for starting or maintaining an account?
- Yes No
- ☒ ☐

(If yes, describe on Schedule F.)

11. Review of Accounts. If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. For reviews, include their frequency, different levels, and triggering factors. For reviewers, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

(Reference Schedule F of Form ADV; Continuation Sheet for Form ADV Part II)

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

(Reference Schedule F of Form ADV; Continuation Sheet for Form ADV Part II)

12. Investment or Brokerage Discretion.

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- | | Yes | No |
|--|-------------------------------------|--------------------------|
| (1) securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (2) amount of the securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (3) broker or dealer to be used? | <input type="checkbox"/> | <input type="checkbox"/> |
| (4) commission rates paid? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients? Yes No
☐ ☐

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- | | |
|---|--|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? | Yes No
<input type="checkbox"/> <input type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? | Yes No
<input checked="" type="checkbox"/> <input type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
 - requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- Has applicant provided a Schedule G balance sheet? Yes No
☐ ☒

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Exchange Capital Management, Inc.		IRS Empl. Ident. No.:															
Item of Form (identify)	Answer																
Question 1D : Services, Fee Schedule, and Termination of Contract	<p>Exchange Capital Management, Inc. provides investment advisory and supervisory services for Private Clients, insurance companies, institutional investors, and corporate clients. Management fees are based on the tiered market value of assets placed under management, with a <u>minimum account size of \$500,000</u>. In certain circumstances, the minimum account size may be waived solely at the discretion of management. The fee schedule however, shall remain as stated.</p> <p style="text-align: center;">Schedule of Management Fees</p> <table><thead><tr><th></th><th>Market Value of Assets</th><th>Annual Fee</th></tr></thead><tbody><tr><td>First</td><td>\$ 2,000,000</td><td>90 Basis Points (0.90%)</td></tr><tr><td>Next</td><td>\$ 3,000,000</td><td>75 Basis Points (0.75%)</td></tr><tr><td>Next</td><td>\$ 5,000,000</td><td>50 Basis Points (0.50%)</td></tr><tr><td>Over</td><td>\$10,000,000</td><td>25 Basis Points (0.25%)</td></tr></tbody></table> <p>Investment management services are billed quarterly and payable in advance. The annual fee multiplied by the market value divided by four shall be the amount due to Exchange Capital Management as compensation for each quarterly period. Standard client advisory agreements are open ended (having no fixed termination date) and may be cancelled at the option of either party upon 30 days written notice. Exchange Capital Management, Inc. provides client five (5) business days after signing investment management agreement during which client, with written notice to Exchange Capital Management, Inc., may terminate agreement and receive full refund. Either party upon 30 day written notice may terminate the service agreement. In the event of termination of services, the Client is entitled to a pro-rata refund of fees paid, 30 days from the date that notice, in writing, is received by the firm. Amendments to the schedule of fees may be made by Exchange Capital Management at any time with written notice made to the Client. In certain circumstances, Exchange Capital Management may negotiate the fee charged and/or the frequency and timing of payment. This would include substantial accounts and is at the sole discretion of Exchange Capital Management, Inc. This fee schedule supersedes all previously published schedules with the specific exception of negotiated fees.</p> <p>Although Exchange Capital Management, Inc. customarily invests client assets directly in individual stocks and bonds, there may be occasions when for convenience, lack of critical mass or diversification requirements, Exchange Capital Management in its sole discretion may determine an investment in one or more mutual funds may be appropriate. Clients should be aware that mutual funds pay advisory fees to their advisers which serve to reduce the net asset value of the fund shares. This is in addition to the advisory fee paid to Exchange Capital Management, Inc. Exchange Capital Management, Inc. makes no differentiation between an investment in mutual fund shares and direct investment in individual securities with respect to the application of our management fee.</p>			Market Value of Assets	Annual Fee	First	\$ 2,000,000	90 Basis Points (0.90%)	Next	\$ 3,000,000	75 Basis Points (0.75%)	Next	\$ 5,000,000	50 Basis Points (0.50%)	Over	\$10,000,000	25 Basis Points (0.25%)
		Market Value of Assets	Annual Fee														
First	\$ 2,000,000	90 Basis Points (0.90%)															
Next	\$ 3,000,000	75 Basis Points (0.75%)															
Next	\$ 5,000,000	50 Basis Points (0.50%)															
Over	\$10,000,000	25 Basis Points (0.25%)															
Question 3 : Types of Investments	<p>In addition to equity securities, warrants, corporate debt securities, commercial paper, certificates of deposit, investment company securities, option contracts on securities, and United States government securities, Exchange Capital Management, Inc. offers specific advice and recommendations on certain mortgage and asset backed securities. This may include direct mortgage pass through securities, collateralized mortgage obligations issued by U.S. Government Agencies, public and private corporations, or special purpose trusts, and asset backed debt instruments secured by credit card receivables, automobile receivables, and home equity loans.</p>																

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Exchange Capital Management, Inc.		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
Question 6 : Principal Investment Officers	<p>Employees of the firm charged with the responsibility of giving investment advice or making portfolio management decisions are required to furnish evidence of successful completion of a four year college degree, and to have earned or be working towards the award of a CFA designation. Alternatively, portfolio managers will have have earned a masters in business administration (MBA). Additionally, the firm requires a minimum of three years work experience in the banking, brokerage, insurance or other related financial industries as a prerequisite for employment as a portfolio manager.</p> <p>Michael R. Reid, CFA (Born 1959): Mr. Reid is Managing Director and Senior Co-Portfolio Manager for Exchange Capital Management, Inc. He earned his BGS degree from the University of Michigan in 1982 and has served in a variety of investment and financial capacities since graduation. Prior to founding Exchange Capital Management, Inc. in 1989, Mr. Reid served as Vice President of Investments at Heber Fuger Wendin, Inc. in Birmingham, MI. While employed at HFW, he managed fixed income portfolios for insurance companies and commercial banks with combined assets in excess of \$450 million. Mr. Reid also has held positions with the Retail Sales Division and Corporate Services Group at Kidder Peabody & Co. in Detroit, MI.</p> <p>Kevin D. McVeigh, CFA (Born 1961): Mr. McVeigh is Managing Director and Senior Co-Portfolio Manager for Exchange Capital Management, Inc. He graduated cum laude from Villanova University in 1983 and later went on to earn his MBA from Michigan State University in 1986. Prior to joining Exchange Capital Management, Inc. in 1995, Mr. McVeigh was employed as Vice President of Investments at Swanson Capital Management in Ann Arbor, MI. While at Swanson, Mr. McVeigh oversaw equity trading and served as a member of the investment policy committee. Mr. McVeigh began his career with Kidder Peabody & Co. in Troy, MI as a stockbroker in the Retail Sales Division.</p> <p>Anthony J. DiGiovanni, CFA (Born 1967): Mr. DiGiovanni is Senior Vice President and Senior Co-Portfolio Manager for Exchange Capital Management, Inc. He graduated from the University of Michigan in 1989 and later went on to earn his MBA from the Ross School of Business at the University of Michigan in 1996. Prior to joining ECM in 2005, Mr. DiGiovanni held positions as a research analyst and portfolio manager at MFO Management Company and Sigma Investment Counselors.</p>	
Question 8C : Other Financial Industry Activities or Affiliations	<p>Exchange Capital Management, Inc. has entered into an agreement with Charles Schwab & Co., Inc., an independent and unaffiliated broker-dealer ("Schwab"), to participate in Schwab Advisor Network (the "Service"), an advisor referral service designed to help investors find an independent Investment advisor. Exchange Capital Management, Inc. has agreed to pay Schwab a fee for participating in the Service. This fee covers all client referrals made to Exchange Capital Management, Inc. by Schwab, and may be increased, decreased or waived by Schwab from time to time. Exchange Capital Management, Inc. has agreed not to charge advisory clients introduced by the Service fees or costs greater than the fees or costs Exchange Capital Management, Inc. charges its advisory clients who were not introduced by the Service, and who have similar portfolios under management with Exchange Capital Management, Inc. Exchange Capital Management, Inc.'s participation in the Service may raise potential conflicts of interest. Although not required by the Service, advisors participating in the Service are likely to execute transactions for their advisory clients through the Service with Schwab. Exchange Capital Management, Inc. acknowledges its duty of best execution for its clients.</p>	

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Exchange Capital Management, Inc.		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
Question 9 : Participation or Interest in Client Transactions	<p>From time to time the firm, its employees, or related persons may have a financial interest in one or more of the securities which have been recommended to clients or have been either purchased or sold in their accounts. In all cases, Standard IV of the AIMR Standards of Practice which applies to the priority of transactions shall govern conduct. This Standard states: "The Financial Analyst (read Exchange Capital Management, Inc. and its employees) shall conduct himself in such a manner that transactions for customers, clients and employer have priority over personal transactions, and that so that his personal transactions do not operate adversely to their interests. If a financial analyst decides to make a recommendation about the purchase or sale of a security or other investment, he shall give his customer, clients, and employer adequate opportunity to act on this recommendation before acting on his own behalf." In order to monitor end enforce this standard, the firm requires all employes to file a quarterly statement listing all investment activity within ten days after the close of each fiscal quarter. These statements are then reviewed by the firm's Chief Compliance Officer to insure compliance.</p>	
Question 10 : Conditions for Managing Accounts	<p>Exchange Capital Management, Inc. has a minimum account size of \$500,000. In certain circumstances, the minimum account size may be waived at the sole discretion of Exchange Capital Management, Inc.</p> <p>Assets held in the Client's Account may be accompanied by voting rights. ECM shall not be responsible for the voting on proxies when so received.</p>	
Question 11A : Review of Accounts	<p>Exchange Capital Management's investment management is designed to provide continuous advice as to the investment of Portfolio Assets based on the individually stated objectives of each Client. We attempt to maintain regular communication with the Client to determine changes in circumstances as they occur. ECM requests that Clients contact us immediately as their financial situation, objectives or needs change. Accounts are supervised continuously and formally reviewed a minimum of twice each year by the portfolio manager assigned to the account. The review process contains each of the following elements:</p> <div><div>A. Assess client goals and objectives.</div><div>B. Evaluate the strategy which has been employed.</div><div>C. Address the need to rebalance.</div></div> <p>Account Reviews may be triggered by any one or more of the following events:</p> <div><div>A. Specific client request.</div><div>B. Change in client goals and objectives.</div><div>C. Semi-annually from date of contract.</div><div>D. Changes in asset allocation and/or policy limits.</div></div>	
Question 11B : Account Review	<p>Clients receive regular quarterly reports which provide a complete listing of all open positions, securities purchased, sold, or matured in the period, realized gains & losses, and all interest, dividends and expenses recorded by the account. Clients also receive performance analysis reports which display the time weighted rates of return realized in their account. For clients with more complex and sophisticated investment strategies, more frequent reviews and analysis may be required. This may include index based performance monitoring, asset/liability analysis, and other types of similar analysis designed to show progress towards previously established account objectives.</p>	

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Exchange Capital Management, Inc.		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
Question 12 : Investment or Brokerage Discretion	<p>As a prerequisite to establishing an account with Exchange Capital Management, Inc. a client must either (1) direct Exchange Capital Management, Inc. to utilize a designated broker-dealer with whom the client has established a customer relationship and negotiated a commission rate or (2) authorize Exchange Capital Management, Inc. to exercise full discretion in selecting the broker-dealers with whom trades are placed on behalf of the client. Clients must also have a custodial relationship with respect to their account with either a bank, trust company, brokerage firm, or other authorized financial intitution.</p> <p>In determining which brokerage firm should receive orders, the firm will make its selection based on a number of criteria. These criteria would include; price, commission charges, custodial services utilized, history of fair dealing with the public, financial stability, and the individual broker assigned to the account. The firm will endeavor at all times to execute trades on behalf of its clients at fair market prices while seeking to minimize the impact of commissions on overall returns. Exchange Capital Management, Inc. does not represent or guaranty that commission rates paid and or transactions costs resulting from trades placed where Exchange Capital Management has exercised brokerage discretion are lower than those which the client could negotiate independently nor does the firm represent or guaranty that execution prices resulting from trades placed with broker-dealers where Exchange Capital Management has exercised brokerage discretion are better than those which could have been realized had the client retained brokerage discretion.</p> <p>Exchange Capital Management, Inc. receives no commission or cash compensation as a result of exercising brokerage discretion. To the extent that Exchange Capital Management, Inc. receives client referrals from broker-dealers, a potential conflict of interest may exist between Exchange Capital Management's obligation to obtain the best price and execution on behalf of clients and Exchange Capital Management's desire to secure future referrals from a broker-dealer. Notwithstanding, Exchange Capital Management expressly affirms its obligation to seek best execution of trades for client accounts.</p> <p>In most cases the firm will receive from its clients investment and and brokerage discretion. After careful and thoughtful review of all known goals, objectives and financial background, the firm will buy or sell securities which are deemed to be consistent with the overall needs of the client. Exchange Capital Management, Inc. retains limited power of attorney with respect to the trading activity of all accounts managed. As such, Exchange Capital Management, Inc. exercises full discretion as to securities purchased/sold and the amount of such transactions within, but not limited to, the guidelines of ADV PART II, 3 & 4(c).</p> <p>To the extent that Exchange Capital Management elects to effect transactions in client accounts through a broker-dealer other than the custodian, clients will generally pay an additional fee to the custodian related to taking delivery of the relevant securities into their account.</p> <p>In some instances, clients may incur transaction costs in addition to any commission charged by the broker-dealer when trades in over-the-counter securities are effected on their behalf through the broker-dealer on an agency basis.</p> <p>From time to time, it may be convenient to group orders for a number of accounts together in a process commonly known as "aggregation or batching". It is the policy of Exchange Capital Management, Inc. to prepare a written Allocation Statement, specifying the participating client accounts and how orders will be allocated prior to entering an aggregated order. If the aggregated order is filled in its entirety, it is the policy of Exchange Capital Management, Inc. to allocate trade executions among clients in accordance with the Allocation Statement. If the order is partially filled, it will be allocated pro-rata based on the Allocation Statement.</p>	

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Exchange Capital Management, Inc.		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
Question 13B : Additional Compensation	<p>Exchange Capital Management, Inc. (ECM) receives client referrals from Charles Schwab & Co., Inc., through Exchange Capital Management's participation in Schwab Advisor Network ("the Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer unaffiliated with ECM. Schwab does not supervise ECM and has no responsibility for ECM's management of clients' portfolios or ECM's other advice or services. ECM pays Schwab fees to receive client referrals through the service. ECM's participation in the service may raise potential conflicts of interest described below.</p> <p>ECM pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by ECM is a percentage of the value of the assets in the client's account. ECM pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to ECM quarterly and may be increased, decreased or waived by Schwab from time to time. The Participation Fee is paid by ECM and not by the client. ECM has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs ECM charges clients with similar portfolios who were not referred through the Service.</p> <p>ECM generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non- Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees ECM generally would pay in a single year. Thus, ECM will have an incentive to recommend that client accounts be held in custody at Schwab.</p> <p>The Participation and Non-Schwab Custody Fees will be based on assets in accounts of ECM's clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, ECM will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit ECM's fee directly from the accounts.</p> <p>For accounts of ECM's clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from ECM's clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower= than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealers fees. Thus, ECM may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. ECM nevertheless, acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for ECM's other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.</p> <p>In some cases, Exchange Capital Management, Inc. may purchase for client accounts shares of mutual funds, exchange traded funds (ETF's), money market mutual funds, or other similar type investment vehicles where potential exists for layering of fees. Typically mutual fund type investment instruments have an internal expense burden paid indirectly by shareholders that reduces the overall return and is in addition to the management fee clients pay directly to Exchange Capital Management, Inc. In determining the suitability of mutual fund type investments for client accounts, Exchange Capital Management shall consider overall account objectives, benefits of diversification, embedded tax obligations, and economies of scale in addition to the total expense burden.</p>	