

FORM ADV**Uniform Application for Investment Adviser Registration****Part II - Page 1****OMB APPROVAL**

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

Name of Investment Adviser:

Kelman-Lazarov, Inc.

Address: (Number and Street)

(City)

(State)

(Zip Code)

Area Code: Telephone Number:

5100 Poplar Avenue, Suite 3105**Memphis****TN****38137****(901) 685-8284**

**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.**

FORM ADV**Part II - Page 2**

Applicant:

Kelman-Lazarov, Inc.

SEC File Number:

801-45185

Date:

December 7, 2010**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 checked="" type="checkbox"/> | (1) | Provides investment supervisory services | 75% |
| <input checked="" type="checkbox"/> | (2) | Manages investment advisory accounts not involving investment supervisory services | 10% |
| <input checked="" type="checkbox"/> | (3) | Furnishes investment advice through consultations not included in either service described above | 10% |
| <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 checked="" type="checkbox"/> | (7) | On more than an occasional basis, furnishes advice to clients on matters not involving securities | 5% |
| <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 checked="" type="checkbox"/> (2) Hourly charges | <input type="checkbox"/> (5) Commissions |
| <input checked="" 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)

- | | |
|-------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> A. Individuals | <input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations |
| <input type="checkbox"/> B. Banks or thrift institutions | <input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies | <input type="checkbox"/> G. Other (describe on Schedule F) |
| <input checked="" type="checkbox"/> D. Pension and profit sharing plans | |

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

FORM ADV**Part II - Page 3**

Applicant:

Kelman-Lazarov, Inc.

SEC File Number:

801- **45185**

Date:

December 7, 2010**3. Types of Investments.** Applicant offers advice on the following: (check those that apply)

- | | |
|---------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> A. Equity securities | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities | |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter | I. Options contracts on: |
| <input type="checkbox"/> (3) foreign issues | <input type="checkbox"/> (1) securities |
| | <input type="checkbox"/> (2) commodities |
| <input checked="" type="checkbox"/> B. Warrants | J. Futures contracts on: |
| | <input type="checkbox"/> (1) tangibles |
| <input checked="" type="checkbox"/> C. Corporate debt securities
(other than commercial paper) | <input type="checkbox"/> (2) intangibles |
| <input checked="" type="checkbox"/> D. Commercial paper | K. Interests in partnerships investing in: |
| | <input type="checkbox"/> (1) real estate |
| <input checked="" type="checkbox"/> E. Certificates of deposit | <input type="checkbox"/> (2) oil and gas interests |
| <input checked="" type="checkbox"/> F. Municipal securities | <input type="checkbox"/> (3) other (explain on Schedule F) |
| G. Investment company securities: | <input type="checkbox"/> L. Other (explain on Schedule F) |
| <input checked="" type="checkbox"/> (1) variable life insurance | |
| <input checked="" type="checkbox"/> (2) variable annuities | |
| <input checked="" type="checkbox"/> (3) mutual fund shares | |

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

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

- | | |
|-----------------------------------------------------|-----------------------------------------------------------------------|
| (1) <input type="checkbox"/> Charting | (4) <input type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input checked="" type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical | |

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

- | | |
|-------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines | (5) <input type="checkbox"/> Timing services |
| (2) <input type="checkbox"/> Inspections of corporate activities | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the
Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases |
| (4) <input checked="" type="checkbox"/> Corporate rating services | (8) <input type="checkbox"/> Other (explain on Schedule F) |

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

- | | |
|--------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|
| (1) <input checked="" type="checkbox"/> Long term purchases
(securities held at least a year) | (5) <input type="checkbox"/> Margin transactions |
| (2) <input checked="" type="checkbox"/> Short term purchases
(securities sold within a year) | (6) <input type="checkbox"/> Option writing, including covered options, uncovered
options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days) | (7) <input type="checkbox"/> Other (explain on Schedule F) |
| (4) <input type="checkbox"/> Short sales | |

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

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Applicant:

Kelman-Lazarov, Inc.

SEC File Number:

801-**45185**

Date:

December 7, 2010**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 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.)

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

Applicant:

Kelman-Lazarov, Inc.

SEC File Number:

801- 45185

Date:

December 7, 2010

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.

Thorough reviews of managed securities accounts are done on a monthly basis. Also, to some extent, managed accounts are reviewed on each business day as securities are bought and sold.

Financial planning reviews may be performed annually or as frequently as agreed to and contracted for by the client.

The reviewers will be Ronald J. Lazarov, CFP, and/or Martin S. Kelman, CFP, officers of Kelman-Lazarov and/or the advisory associate who typically serves the client. The advisory associates may be William I. Steinberg, Keith Schmitt.

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

Managed accounts receive quarterly performance statements from Kelman-Lazarov or Financial Network and at least quarterly account statements from Financial Network. Verbal performance updates on managed accounts are available upon client request. Additionally, all clients may receive periodic updates, newsletters, etc., as market events dictate.

Financial planning clients are initially provided a written report containing information consistent with, and derived from, the client's financial goals and objectives. The written report may be reviewed annually or more frequently as agreed to, requested, and/or contracted for by the client.

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Applicant:

Kelman-Lazarov, Inc.

SEC File Number:

801-45185

Date:

December 7, 2010**12. Investment or Brokerage Discretion.**

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

(1) securities to be bought or sold?

Yes No

☒ ☐

(2) amount of the securities to be bought or sold ?

Yes No

☒ ☐

(3) broker or dealer to be used ?

Yes No

☐ ☒

(4) commission rates paid?

Yes No

☒ ☐

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

☒ ☐

B. directly or indirectly compensates any person for client referrals?

Yes No

☐ ☒

(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).**

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
Kelman-Lazarov, Inc.	801- 45185	December 7, 2010

(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: Kelman-Lazarov, Inc.		IRS Empl. Ident. No.: 62-1079189								
Item of Form (identify)	Answer									
1.D.	<p>SERVICES</p> <p>Kelman-Lazarov, Inc., and its advisory associates provide a variety of financial planning and portfolio management services to clients as described below. The specific types of service to be provided to any particular client will be stated in the contract Kelman-Lazarov, Inc. has with the client, and will depend upon the client's needs and requests.</p> <p>Financial Planning Services</p> <p>Specific areas covered in the provision of financial planning advice may include, without limitation:</p> <ol style="list-style-type: none"> Investment recommendations consistent with an individual client's financial and tax status and risk/reward objectives; Tax planning, as it relates to financial planning (Kelman-Lazarov does not offer tax preparation services ; Estate planning consultation; Employee benefit planning; Corporate planning, such as stock options and corporate fringe benefits; Insurance review and recommendations; Asset management; Analysis of business opportunities, including franchises; Management of and negotiated reduction of debt, both business and personal; Succession issues of small family businesses; Retirement Planning Education/College Planning Small business consulting, which may include the following: <table border="0"> <tr> <td>Structure</td> <td>Tax issues</td> </tr> <tr> <td>Management</td> <td>Sales and profit trend analysis</td> </tr> <tr> <td>Expense control</td> <td>Succession and exit strategies</td> </tr> <tr> <td>Liquidation planning</td> <td>Lease and contract negotiation</td> </tr> </table> Financial Planning for Divorce, which may include the following: <p>Pre- and Post-divorce lifestyle budget determination;</p> <p>Cash flow and net worth analysis with or without retirement considerations;</p> <p>Current and projected asset analysis;</p> <p>Insurance risk management considerations;</p> <p>Financial planning in support of mediation;</p> <p>Consultation with authorized individuals, such as accountants, mediators, and attorneys;</p> <p>Alimony evaluation;</p> <p>Child Support evaluation;</p> <p>Retirement Planning;</p> <p>Business offset and valuation;</p> <p>Health care valuation;</p> <p>Settlement evaluation</p> <p>Financial Planning Fees</p> <p>Kelman-Lazarov, Inc. offers a variety of fee arrangements for Financial Planning services,</p>		Structure	Tax issues	Management	Sales and profit trend analysis	Expense control	Succession and exit strategies	Liquidation planning	Lease and contract negotiation
Structure	Tax issues									
Management	Sales and profit trend analysis									
Expense control	Succession and exit strategies									
Liquidation planning	Lease and contract negotiation									

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

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
Kelman-Lazarov, Inc.	801- 45185	December 7, 2010

(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: Kelman-Lazarov, Inc.		IRS Empl. Ident. No.: 62-1079189
Item of Form (identify)	Answer	
1.D. Continued	<p>commensurate with the service requested by the client. Planning fees will be estimated in the Financial Planning Agreement, and are based on the scope and complexity of the planning needs of the client. Total fees may be higher or lower than estimated. The client(s) will be notified as soon as possible if Kelman-Lazarov anticipates the fee will exceed the initial estimate, and a new estimate will be provided at that time. The specific billing guideline for each type of planning service is outlined below.</p> <ol style="list-style-type: none"> 1) For hourly financial planning consultation services, fees are based at the hourly rate of \$200. Fees for hourly financial planning consultation services will be billed to the client after the services have been rendered and will be payable upon receipt of the statement. 2) For written financial plans, fees for full financial plans are also based on the hourly rate of \$200 per hour, and will be billed and payable at the presentation of the plan to the client. 3) For continuing financial services, fees are billed at the hourly rate of \$200 and are billed monthly. 4) For financial planning for divorce situations, fees are billed at the hourly rate of \$200. Depending on the anticipated length and the complexity of the circumstances, a retainer may be required in advance. In such instances, the client will receive a monthly statement, listing the charges incurred and the balance of the retainer. Once the retainer is exhausted, Kelman-Lazarov may require additional funds to be deposited. Where no retainer is required, fees are billed monthly in arrears. <p><u>Portfolio Management Services</u></p> <p>Kelman-Lazarov promotes a long-term philosophy in helping clients work toward achieving their financial goals. In doing so, Kelman-Lazarov offers three (3) types of proprietary, fee-based managed account arrangements to clients. The following is a detailed discussion of each type of arrangement. Features common to all arrangements are described at the end of this section. The three types of Portfolio Management Programs available at Kelman-Lazarov, Inc., are:</p> <ol style="list-style-type: none"> 1. K-L Plus (KLP) 2. K-L Select (KLS) 3. K-L Extra (KLE) <p><u>K-L Plus</u></p> <p>K-L Plus (KLP) accounts are designed to permit clients to retain Kelman-Lazarov on a fee basis, as a Registered Investment Adviser, to actively manage securities accounts, comprised of closed-end funds, exchange-traded funds, open-end mutual funds, and individual stocks and/or bonds. While KLP accounts are offered as a part of a wrap program of FNIC, Kelman-Lazarov employs a proprietary securities selection process using diversification models to allocate portfolio assets.</p> <p>Kelman-Lazarov utilizes Financial Network's <i>Preferred Asset Management (PAM)</i> and Prime</p>	

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

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
Kelman-Lazarov, Inc.	801- 45185	December 7, 2010

(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: Kelman-Lazarov, Inc.		IRS Empl. Ident. No.: 62-1079189																		
Item of Form (identify)	Answer																			
1.D. Continued	<p>Portfolio Services (Prime) programs in managing K-L Plus accounts. Financial Network Investment Corporation ("Financial Network" of "FNIC") is a FINRA Member broker/dealer, a SEC Registered Investment Adviser, and a general insurance agency.</p> <p>Both programs offer clients a diversified, long-term approach to their personal investment goals and objectives through diversification, portfolio monitoring, and consolidated reporting. FNIC provides performance and other reports directly to clients on at least a quarterly basis.</p> <p>PAM and Prime accounts are similar. However, the client is given the choice of two fee arrangements.</p> <table border="1"> <thead> <tr> <th><i>Portfolio Value</i></th> <th><i>PAM</i></th> <th><i>Prime</i></th> </tr> </thead> <tbody> <tr> <td>First \$250,000</td> <td>2.25%</td> <td>2.50%</td> </tr> <tr> <td>Next \$250,000</td> <td>2.00%</td> <td>2.30%</td> </tr> <tr> <td>Next \$500,000</td> <td>1.50%</td> <td>1.75%</td> </tr> <tr> <td>Next \$4,000,000</td> <td>1.25%</td> <td>1.50%</td> </tr> <tr> <td>Balance over \$5,000,000</td> <td>1.00%</td> <td>1.25%</td> </tr> </tbody> </table> <p>The maximum fee for Prime accounts is higher than for PAM accounts; however, Prime is inclusive of all transaction charges. Transaction charges are in addition to the PAM fee. The selection of a program may be based upon the degree of trading activity anticipated and the types of securities utilized in the account. For both PAM and Prime accounts, management fees are adjusted for deposits and withdrawals in excess of \$10,000. Under certain circumstances and at Kelman-Lazarov's discretion, fees may be negotiable.</p> <p>In addition to the fees listed above, for PAM accounts the client will also be charged transaction fees. Such fees are payable at the time orders are placed and do not include postage and handling charges and certain other miscellaneous charges. Except as otherwise noted, transaction fees include amounts paid by Financial Network to Pershing for clearing and execution according to the Financial Network/Pershing fee schedule, which is available upon request. Some "no load" mutual fund shares may be required to be held for a minimum time period, generally six months. If positions in such funds are liquidated or reduced prior to the end of the holding period, early redemption fees will apply.</p> <p>In opening a PAM or Prime account, the client opens an account and enters into a written agreement with Financial Network. Kelman-Lazarov's advisory representative obtains the necessary financial data from the client in order to assist him/her in determining the suitability of the account and in setting appropriate investment objectives. The subsequent management of the client's account assets will be dictated by those investment objectives clarified by the client in consultation with Kelman-Lazarov advisory representative(s). These investment objectives will also be stated in a written Investment Policy Statement, which the client, advisory representative, and a Kelman-Lazarov officer will sign.</p>		<i>Portfolio Value</i>	<i>PAM</i>	<i>Prime</i>	First \$250,000	2.25%	2.50%	Next \$250,000	2.00%	2.30%	Next \$500,000	1.50%	1.75%	Next \$4,000,000	1.25%	1.50%	Balance over \$5,000,000	1.00%	1.25%
<i>Portfolio Value</i>	<i>PAM</i>	<i>Prime</i>																		
First \$250,000	2.25%	2.50%																		
Next \$250,000	2.00%	2.30%																		
Next \$500,000	1.50%	1.75%																		
Next \$4,000,000	1.25%	1.50%																		
Balance over \$5,000,000	1.00%	1.25%																		

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

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
Kelman-Lazarov, Inc.	801- 45185	December 7, 2010

(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: Kelman-Lazarov, Inc.		IRS Empl. Ident. No.: 62-1079189														
Item of Form (identify)	Answer															
1.D. Continued	<p>PAM or Prime accounts are generally discretionary in nature, meaning the Kelman-Lazarov representative has the authority to place trades in the account without prior consultation with the client. The client signs a Limited Power of Attorney giving this authority to Kelman-Lazarov and its representative.</p> <p>Additional information on the PAM and Prime program is available in Financial Network's Disclosure Brochure Schedule H.</p> <p><u>K-L Select</u></p> <p>In K-L Select (KLS) accounts, Kelman-Lazarov actively manages portfolios comprised of no-load mutual funds.</p> <p>Kelman-Lazarov employs a proprietary no-load selection process using diversification models to allocate portfolio assets. The account managers regularly rely upon third-party mutual fund evaluation services. Additionally, the personal expertise and professional experiences of Ronald J. Lazarov, CFP, and Martin S. Kelman, CFP, partners for over twenty-five years and active participants in the financial services arena, contribute significantly to the fee-based no-load mutual fund management process.</p> <p>Computerized techniques developed by Kelman-Lazarov are utilized to monitor prescribed percentages among asset diversification categories.</p> <p>Kelman-Lazarov charges an annual fee, payable in advance on a quarterly basis, as follows:</p> <table border="0"> <thead> <tr> <th><u>Assets under Management</u></th> <th><u>Annual Fee</u></th> </tr> </thead> <tbody> <tr> <td>0 to \$100,000</td> <td>1.50%</td> </tr> <tr> <td>\$100,001 to \$500,000</td> <td>1.00%</td> </tr> <tr> <td>\$500,001 to \$1,000,000</td> <td>0.80%</td> </tr> <tr> <td>\$1,000,001 to \$1,500,000</td> <td>0.70%</td> </tr> <tr> <td>\$1,500,001 to \$2,000,000</td> <td>0.60%</td> </tr> <tr> <td>Over \$2,000,000</td> <td>0.50%</td> </tr> </tbody> </table> <p>Fees are prorated for deposits and withdrawals during the quarter. Under certain circumstances and at Kelman-Lazarov's discretion, fees may be negotiable. There are no transaction fees or commissions charged to the client on no-load mutual fund trades within the KLS account. However, Pershing, LLC, the clearing firm for Financial Network, may also charge a service fee of approximately \$4.00 per transaction.</p> <p>When an account is closed, Pershing, LLC, will charge appropriate ticket charges for the liquidation of any mutual fund position.</p> <p>Investing in no-load mutual funds offers the benefits of diversification and professional management. Each mutual fund has an internal fee structure. Mutual fund managers charge their management fees as an internal expense to the fund. These management fees</p>		<u>Assets under Management</u>	<u>Annual Fee</u>	0 to \$100,000	1.50%	\$100,001 to \$500,000	1.00%	\$500,001 to \$1,000,000	0.80%	\$1,000,001 to \$1,500,000	0.70%	\$1,500,001 to \$2,000,000	0.60%	Over \$2,000,000	0.50%
<u>Assets under Management</u>	<u>Annual Fee</u>															
0 to \$100,000	1.50%															
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**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
Kelman-Lazarov, Inc.	801- 45185	December 7, 2010

(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: Kelman-Lazarov, Inc.		IRS Empl. Ident. No.: 62-1079189								
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1.D. Continued	<p>are usually based on a percentage of the total market value of the entire fund. The size of the management fee, which is set by the mutual fund company, is disclosed in the prospectus of each mutual fund.</p> <p><u>K-L Extra</u></p> <p>K-L Extra (KLE) accounts are designed to permit clients to retain Kelman-Lazarov on a fee basis, as a Registered Investment Adviser, to actively manage securities accounts, comprised of closed-end funds, exchange-traded funds, open-end mutual funds, and individual stocks and/or bonds. Kelman-Lazarov employs a proprietary securities selection process using diversification models to allocate portfolio assets.</p> <p>An annual fee is charged by Kelman-Lazarov, payable in advance on a quarterly basis as follows:</p> <table border="0"> <thead> <tr> <th><u>Assets under Management</u></th> <th><u>Annual Fee</u></th> </tr> </thead> <tbody> <tr> <td>First \$1,000,000</td> <td>1.15%</td> </tr> <tr> <td>Next \$1,000,000</td> <td>0.95%</td> </tr> <tr> <td>Balance over \$2,000,000</td> <td>0.80%</td> </tr> </tbody> </table> <p>In addition to the fees listed above, the client will also be charged transaction fees. Such fees are payable at the time orders are placed and do not include postage and handling charges and certain other miscellaneous charges. Except as otherwise noted, transaction fees include amounts paid by Financial Network to Pershing for clearing and execution according to the Financial Network/Pershing fee schedule, which is available upon request. Some "no load" mutual fund shares may be required to be held for a minimum time period, generally six months. If positions in such funds are liquidated or reduced prior to the end of the holding period, early redemption fees will apply. Under certain circumstances and at Kelman-Lazarov's discretion, fees may be negotiable.</p> <p><u>General Information on Management Programs</u></p> <p>Kelman-Lazarov may on occasion provide minimal financial planning services in conjunction with providing portfolio management services.</p> <p>Kelman-Lazarov requires a \$500,000 minimum balance to establish and maintain a managed account. Kelman-Lazarov's Investment Advisory Committee may opt to reduce the minimum account balance requirements on a case-by-case basis.</p> <p>Advisory fees are calculated on an annualized percentage of assets under management, assessed quarterly in advance. Fees are calculated based on the closing value of the account on the last day of the previous quarter, and are prorated for deposits and withdrawals during the quarter. If the client has two or more related accounts under management with Kelman-Lazarov, they may be combined for the purpose of qualifying for applicable break points. Fees may be automatically deducted from a client's account, if the client signs a "Quarterly Fee Deduct Letter." Alternatively, clients may elect to be mailed an invoice for payment, also quarterly in advance. Pro-rata fees will be assessed in the event the Agreement is executed</p>		<u>Assets under Management</u>	<u>Annual Fee</u>	First \$1,000,000	1.15%	Next \$1,000,000	0.95%	Balance over \$2,000,000	0.80%
<u>Assets under Management</u>	<u>Annual Fee</u>									
First \$1,000,000	1.15%									
Next \$1,000,000	0.95%									
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Kelman-Lazarov, Inc.	801- 45185	December 7, 2010

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Item of Form (identify)	Answer
1.D. Continued	<p>other than the first day of the new calendar quarter, or in the event of termination during the course of the quarter.</p> <p>All Kelman-Lazarov advisory associates are also registered representatives of Financial Network. All fund transactions and exchange trades are executed and cleared through Pershing, LLC, pursuant to Financial Network's clearing agreement with Pershing, LLC, a division of Donaldson, Lufkin Jenrette Securities Corporation ("Pershing"). Custody of all securities is maintained by Pershing, LLC, and not by the Financial Network, Kelman-Lazarov, or the advisory associate. Securities held in custody at Pershing, LLC are insured by SIPC and Pershing, LLC.</p> <p>The client is solely liable for taxes on any capital gains and/or income distributions as a result of activity within, or withdrawals from, the managed account.</p> <p>Clients receive monthly or quarterly brokerage statements from Pershing, LLC, showing all account activity within the account, as well as positions held in the account and their market value as of the statement cut-off date. KLP clients also receive quarterly performance reports from Financial Network. Clients with KLS and KLE accounts will also receive quarterly performance statements from Kelman-Lazarov. Verbal performance updates of all managed accounts are available upon client request. Managed account clients may also receive periodic updates, newsletters, etc., as market events dictate.</p> <p>Investment advisory representatives contact their clients at least annually in order to discuss the client's portfolio(s) and to evaluate changes affecting the client's goals and risk tolerance, including changes in market conditions that might warrant a portfolio adjustment. Clients should immediately notify their advisory representatives whenever there are changes in their financial situations or investment objectives.</p> <p>The Client Agreement may be terminated by either party upon written notice, which shall be effective when received by the other party, or upon the passing of ten (10) business days from the date of termination notice, whichever occurs sooner. The client will be entitled to a prorated refund of any prepaid quarterly account fees based upon the number of days remaining in the quarter after the termination date.</p> <p><u>Additional Information on Fees</u></p> <p>In addition to fees paid for advisory services with respect to a client's investment in mutual funds, clients may pay additional fees on the mutual fund investment, because mutual funds pay advisory and/or management fees to an investment adviser. Mutual fund expenses, 12(b)-1 service fees, and deferred sales charges are fully disclosed in the mutual fund prospectuses.</p> <p>Fees paid to Kelman-Lazarov, Inc. are exclusive of custodial and transaction costs paid to account custodians, brokers, or other third parties. The client should review all fees charged by mutual fund companies, Kelman-Lazarov, Inc. and others to fully understand the total</p>

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1.D. Continued	<p>amount of fees to be paid by the clients.</p> <p>The balance of assets under management will be defined as the market value of the account on the last day of the quarter. Deposits to and withdrawals from the account during the quarter are subject to proration over the quarter in determining fee calculation. If the client has two or more related accounts under management with Kelman-Lazarov, they may be combined for the purpose of qualifying for applicable break points.</p> <p>Investing in mutual funds offers the benefit of diversification and professional management. The mutual fund's professional investment managers charge a fee, which is an internal expense to the fund, and, ultimately, to the client. The fee is usually based on a percent of the total market value of the entire fund and generally runs between 0.35% and 2.00% of the fund's total asset value, with approximately 1.00% being the average management fee. The size of the management fee, which is set by the mutual fund company, is based on numerous factors, including the size of the fund, the type of investments involved, the fund's investment objectives, and the manager's prior track record. Fees are disclosed in each fund's prospectus.</p> <p>Associates of Kelman-Lazarov, Inc. are also Registered Representatives of Financial Network and are eligible to receive commission or other forms of compensation resulting from transactions recommended under one or more of the programs described. It is the policy of Kelman-Lazarov, Inc. to inform clients of all fees.</p> <p><u>Proxy Voting</u></p> <p>Kelman-Lazarov does not vote proxies on behalf of client accounts. Kelman-Lazarov does not accept responsibility for responding to, completing, or delivering to any party, client or otherwise, documentation of any sort associated with class action lawsuit events. However, from time to time, Kelman-Lazarov will assist clients in such matters when specifically requested by individual clients. This assistance is a service to our clients, and does not indicate acceptance of responsibility with respect to class action lawsuits.</p>	
3. K. (1), (2), (3)	<p>TYPES OF INVESTMENTS</p> <p>Kelman-Lazarov, Inc., is willing to review and analyze partnership investments on behalf and primarily at the request of the client.</p>	
4. A. (5)	<p>METHODS OF ANALYSIS, SOURCES OF INFORMATION AND INVESTMENT STRATEGIES</p> <p>Kelman-Lazarov regularly relies upon third-party evaluation services of closed-end funds and other securities. Additionally, the personal expertise and professional experiences of Ronald J. Lazarov, CFP, and Martin S. Kelman, CFP, partners for over twenty-five years and active participants in the financial services arena, contribute significantly to the fee-based security selection process.</p>	
C.	<p>Clients should be aware that advice given to them by Kelman-Lazarov's advisory representatives may include short term purchases. This type of advice is usually the exception, and not the rule.</p>	

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5.	<p>EDUCATION AND BUSINESS STANDARDS</p> <p>Persons associated with the applicant who are in a position of providing investment advice shall be college graduates with significant practical experience or professional licensing or certification qualifying them to provide a high level of service by rendering prudent and sound recommendations. Such persons are also required to hold any licenses or certifications required by applicable regulatory agencies.</p>	
6.	<p>EDUCATION AND BUSINESS BACKGROUND</p> <p>Ronald Jay Lazarov DOB 09/06/55</p> <p><u>Education:</u> BBA (1977) University of Texas, Austin, TX MBA (1979) Southern Methodist University, Dallas, TX</p> <p><u>Business Background:</u> President, Founder, Advisory Associate, Kelman-Lazarov, Inc., 08/79 – present Registered Representative, Registered Principal, Financial Network Investment Corporation, 09/98 – present Registered Representative, Registered Principal, Royal Alliance Associates, Inc., New York, NY, 01/97 – 09/98 Registered Representative and Registered Principal, Keogler, Morgan & Company, Atlanta, Ga., 11/90 – 01/97 Advisory Associate, The Planners Advisory Group, Inc., Atlanta, GA. 11/90 – to - 7/94 Registered Representative, Titan Value Equities Group, Inc., Tustin, CA. 12/81 - 11/90</p> <p>Certified Financial Planner, College for Financial Planning, 1983.</p> <p>Martin Samuel Kelman DOB 02/09/51</p> <p><u>Education:</u> BA (1973) University of Virginia, Charlottesville, VA M.Ed. (1976) Memphis State University, Memphis, TN MBA (1981) Memphis State University, Memphis, TN</p> <p><u>Business Background:</u> Chairman, Founder, Advisory Associate, Kelman-Lazarov, Inc., 04/81 – present Registered Representative, Financial Network Investment Corporation, 09/98 - present Registered Representative, Royal Alliance Associates, Inc., New York, NY, 01/97 – 09/98 Registered Representative, Keogler, Morgan & Company, Inc., Atlanta, GA. 11/90 to 1/97 Advisory Associate, The Planners Advisory Group, Inc., Atlanta, GA. 11/90 – to - 7/94 Registered Representative, Titan Value Equities Group, Inc., Tustin, CA. 12/81 - 11/90 Certified Financial Planner, College for Financial Planning, 1984.</p>	

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9.	PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS	
B.	<p>The principal executive officers and certain advisory associates are registered representatives and/or registered principals of Financial Network Investment Corporation, a registered broker-dealer. In that capacity, they offer securities for sale for compensation.</p> <p>Advisory associates of Kelman-Lazarov may be licensed to sell life, health, disability, and annuity products through various insurance companies and may receive compensation for these products.</p> <p>Advisory associates of Kelman-Lazarov may hold real estate licenses. They may receive compensation/ commissions for the listing and/ or sale of real estate.</p> <p>Clients are under no obligation to purchase securities, insurance, and/or other products through the resources available to Kelman-Lazarov, its officers, and associated persons. The client is free to choose the source(s) through which to implement investment advisory recommendations.</p> <p>All Investment Adviser Representatives (IAR's) of Kelman-Lazarov, Inc. are Registered Representatives of Financial Network and may receive usual and customary commissions associated with insurance and securities brokerage transactions.</p> <p>As Financial Network's Registered Representatives, IAR's investment recommendations are limited to investment products that are offered by Financial Network. Other suitable investment products may be available through other broker/dealers or investment advisers at a lower cost. A conflict of interest exists because of the Investment Adviser Representatives' duty to provide unbiased advice to clients and the potential receipt of commissions on transactions effected through Financial Network.</p> <p>If a client so chooses, he may implement securities-related investment advisory recommendations by utilizing the services of any qualified officer or advisory associate of Kelman-Lazarov. Such transactions will be effected through Financial Network, since they are registered representatives of that broker-dealer. In connection with such transactions, the broker-dealer and the registered representatives may receive compensation.</p>	
E.	<p>Code of Ethics</p> <p>Kelman-Lazarov, Inc. has adopted a Code of Ethics, the full text of which is available to you upon request.</p> <p>Kelman-Lazarov, Inc. has several goals in adopting this Code. First, Kelman-Lazarov, Inc. desires to comply with all applicable laws and regulations governing its practice. We believe that compliance with such regulations is a signal to our clients that we exist to serve them, not ourselves, and that we support the efforts of those organizations dedicated to upholding the law.</p> <p>Next, the management of the Company has determined to set forth guidelines for</p>	

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9. Continued	<p>professional standards, under which all associated persons are to conduct themselves. Kelman-Lazarov, Inc. has set high standards, the intention of which is protect client interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith and fair dealing with clients. All associated persons are expected to strictly adhere to these guidelines, as well as the procedures for approval and reporting established in the Code. Kelman-Lazarov, Inc. has instituted, as a deterrent, a policy of disciplinary actions to be taken with respect to any associated person who violates the Code.</p> <p>Finally, the Company has adopted specific policies and procedures designed to assist in the implementation of the guidelines outlined in the Code. Our procedures include specific steps taken with regard to the treatment of aggregated or bundled trading activities. This also includes policies and procedures relating to the required approval and reporting of the personal securities transactions of our personnel; required holdings reports for personnel; insider trading education and prohibitions; and client privacy protection. Such policies and procedures will serve to assist in reviewing the effectiveness of the implementation of the Code on an ongoing basis.</p>	
12. A.	<p>INVESTMENT OR BROKERAGE DISCRETION</p> <p>In some of the advisory accounts described previously, Kelman-Lazarov may have authority to determine, without obtaining specific client consent, the securities to be bought or sold. Such authority is conferred on Kelman-Lazarov, in writing, by the client. Under certain circumstances, the commission may be discounted in accordance with the schedule of Financial Network.</p>	
B.	<p>The client is under no obligation to implement a financial plan or investment advice by purchasing securities through any officer or advisory associate of Kelman-Lazarov in their capacity as a registered representative of Financial Network Investment Corporation. The client is free to choose the sources through which investment advisory recommendations may be implemented. If the client chooses to implement securities-related investment recommendations using the services of any qualified officer or advisory associates of the firm, such transactions will be effected through Financial Network. The broker-dealer, in addition to Kelman-Lazarov is under a regulatory requirement to ensure that high standards of commercial honor and just and equitable principles of trade are observed in the conduct of its business.</p>	
13. A.	<p>ADDITIONAL COMPENSATION</p> <p>Kelman-Lazarov, Inc., and its related persons do not have any arrangements where it/they are paid cash by or receive some economic benefit from a non-client in connections with giving advice to clients. However, in connection with the implementation of advice, the firm, and/or its officers, and/or related persons, and/or advisory associates may receive compensation on the sale of securities and insurance products. In addition, FNIC and Pershing may provide other benefits, such as operational assistance and support, trading, duplicate account statements and confirmations, etc.</p> <p>In connection with the placement of client funds into investment companies, compensation</p>	

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13. Continued	<p>may take the form of 12(b)-1 fees. The prospectus for the investment company will give explicit detail as to the method and form of compensation.</p> <p>Certain investment companies, with whom Kelman-Lazarov planners place client funds, underwrite the expenses for various specific marketing, client appreciation, and professional development activities. These payments are not made directly to Kelman-Lazarov, Inc., but are paid to Financial Network, which reimburses Kelman-Lazarov, Inc., or third parties to cover specific expenses.</p>	
B.	<p><u>Solicitor Fees</u></p> <p>From time to time Kelman-Lazarov may pay referral fees to 3rd parties for soliciting clients for Kelman-Lazarov, subject to the requirements of Rule 206(4)-3 of the Advisers Act.</p>	

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