

Firm Brochure

(Part 2A & 2B of Form ADV)

RANDOLPH MANAGED INVESTMENTS

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This brochure provides information about the qualifications and business practices of RANDOLPH MANAGED INVESTMENTS. If you have any questions about the contents of this brochure, please contact us at: (707) 573-1357, or by email at: mrandolph@investrmi.com. The information in this brochure has not been approved or verified by the United California Securities and Exchange Commission, or by any California securities authority.

Additional information about RANDOLPH MANAGED INVESTMENTS is available on the SEC's website at www.adviserinfo.sec.gov.

OCTOBER 12, 2010

Material Changes

Annual Update

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

Material Changes since the Last Update March 1, 2010

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

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (707) 573-1357 or by email at: mrandolph@investrmi.com.

Table of Contents

| | |
|---|----------|
| Material Changes..... | i |
| Annual Update | i |
| Material Changes since the Last Update March 1, 2010 | i |
| Full Brochure Available | i |
| Advisory Business | 1 |
| Firm Description..... | 1 |
| Principal Owners..... | 1 |
| Types of Advisory Services..... | 2 |
| Tailored Relationships | 2 |
| Types of Agreements..... | 2 |
| Financial Planning Agreement | 2 |
| Investment Advisory Services Agreement | 3 |
| Managed Asset Advisory Services Agreement | 3 |
| Performance Monitoring Advisory Services Agreement..... | 4 |
| Hourly Planning Engagements | 4 |
| Asset Management..... | 5 |
| Termination of Agreement | 5 |
| Fees and Compensation..... | 5 |
| Description | 5 |
| Fee Billing | 6 |
| Other Fees | 6 |
| Expense Ratios..... | 6 |
| Past Due Accounts and Termination of Agreement | 6 |
| Performance-Based Fees | 7 |
| Sharing of Capital Gains | 7 |
| Types of Clients..... | 7 |
| Description | 7 |
| Account Minimums..... | 7 |
| Methods of Analysis, Investment Strategies and Risk of Loss..... | 8 |
| Methods of Analysis..... | 8 |

| | |
|--|-----------|
| Investment Strategies | 8 |
| Risk of Loss | 8 |
| Disciplinary Information | 9 |
| Legal and Disciplinary..... | 9 |
| Other Financial Industry Activities and Affiliations | 10 |
| Financial Industry Activities..... | 10 |
| Affiliations | 10 |
| Code of Ethics, Participation or Interest in Client Transactions and Personal Trading | 10 |
| Code of Ethics | 10 |
| Participation or Interest in Client Transactions..... | 10 |
| Personal Trading..... | 10 |
| Brokerage Practices..... | 11 |
| Selecting Brokerage Firms..... | 11 |
| Best Execution | 11 |
| Soft Dollars | 11 |
| Order Aggregation | 11 |
| Review of Accounts | 11 |
| Periodic Reviews | 11 |
| Review Triggers..... | 12 |
| Regular Reports..... | 12 |
| Client Referrals and Other Compensation | 12 |
| Incoming Referrals..... | 12 |
| Referrals Out | 12 |
| Other Compensation..... | 12 |
| Custody | 12 |
| Account Statements..... | 12 |
| Performance Reports..... | 12 |
| Net Worth Statements..... | 13 |
| Investment Discretion..... | 13 |
| Discretionary Authority for Trading..... | 13 |
| Limited Power of Attorney..... | 13 |

| | |
|--|-----------|
| Voting Client Securities | 13 |
| Proxy Votes | 13 |
| Financial Information | 14 |
| Financial Condition | 14 |
| Business Continuity Plan | 14 |
| General | 14 |
| Disasters | 14 |
| Alternate Offices | 14 |
| Loss of Key Personnel | 14 |
| Information Security Program..... | 14 |
| Information Security | 14 |
| Privacy Notice | 15 |
| Brochure Supplement (Part 2B of Form ADV) | 16 |
| Education and Business Standards | 16 |
| Professional Certifications | 16 |
| Michael A. Randolph, CERTIFICATIONS | 17 |

Advisory Business

Firm Description

RANDOLPH MANAGED INVESTMENTS was founded in 1991.

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

RANDOLPH MANAGED INVESTMENTS is strictly a fee-only financial planning and investment management firm. The firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder's fees are accepted.

Investment advice is an integral part of financial planning. In addition, RANDOLPH MANAGED INVESTMENTS advises clients regarding cash flow, college planning, retirement planning, tax planning and estate planning.

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

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

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

The initial meeting, which may be by telephone (707) 573-1357, is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

Principal Owners

Michael A. Randolph is the sole owner of the business.

Types of Advisory Services

RANDOLPH MANAGED INVESTMENTS provides investment supervisory services, also known as asset management services; manages investment advisory accounts not involving investment supervisory services; furnishes investment advice through consultations; and issues, charts, graphs, formulas, or other devices which clients may use to evaluate securities.

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

As of September 30, 2010, RANDOLPH MANAGED INVESTMENTS manages approximately \$38,520,000 in assets for approximately 55 clients. Approximately \$27,300,000 is managed on a discretionary basis, and \$11,230,000 is managed on a non-discretionary basis.

Tailored Relationships

The goals and objectives for each client are documented in our client relationship management system. An Investment policy statement (IPS) is created that reflects the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without client consent.

Types of Agreements

The following agreements define the typical client relationships.

Financial Planning Agreement

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

The financial plan may include, but is not limited to: a review of current asset allocation; a cash flow analysis; a second opinion on recommendations on services you may be receiving; an evaluation of the performance on current investments; a deferred compensation review and analysis; a retirement analysis and current investments; a review of insurance; an estate planning review; a review of long term care planning; or, other financial planning issues.

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

The fee for a financial plan is predicated upon the facts known at the start of the engagement. The minimum fee is \$800 and is negotiable. Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments.

In the event that the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement. The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

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

Investment Advisory Services Agreement

Most clients choose to have RANDOLPH MANAGED INVESTMENTS manage their investment assets in order to obtain ongoing in-depth advice. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The scope of work and fee for an Investment Advisory Services Agreement is provided to the client in writing prior to the start of the relationship. An Investment Advisory Services Agreement includes investment management (including performance reporting) on an ongoing basis.

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

0.75% on the first \$800,000;
0.35% on the next \$1,200,000 (from 800,001 to 2,000,000); and
0.20% on the assets above \$2,000,001.

The minimum annual fee is \$3,750 and is negotiable. Current client relationships may exist where the fees are higher or lower than the fee schedule above.

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

Managed Asset Advisory Services Agreement

In some circumstances, a retainer agreement is executed in lieu of an *Investment Advisory Services Agreement* when the scope of the services is wider and it is more appropriate to work on a fixed-fee basis. The annual fee (bill quarterly) for a

Managed Asset Advisor Services Agreement is negotiable and is based upon the total scope of the work involved.

Those clients that choose to have Randolph Managed Investments manage their assets in order to obtain ongoing in-depth advice and life planning will choose to enter into a *Managed Asset Advisory Services Agreement*. All aspects of the client's financial affairs are reviewed, including those of their children. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The scope of work and fee for a *Managed Asset Advisory Services Agreement* is provided to the client in writing prior to the start of the relationship. A *Managed Asset Advisory Services Agreement* may include: cash flow management; insurance review; investment management (including performance reporting); education planning; retirement planning; estate planning; as well as the implementation of recommendations within each area

The minimum annual fee is \$4,000 and is *NEGOTIABLE*. Current client relationships may exist where the fees are higher or lower than the fee schedule above.

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

Performance Monitoring Advisory Services Agreement

A *Performance Monitoring Advisory Services Agreement* may be executed when the Client wants a Non-Discretionary Investment relationship, where the Client executes and implements recommendations by the Advisor on an as seen fit basis. The annual fee for a *Performance Monitoring Advisory Services Agreement* is set by the Advisor and Client based upon the scope of the work and is negotiable.

The minimum annual fee is \$4,000 and is *NEGOTIABLE*. Current client relationships may exist where the fees are higher or lower than the fee schedule above.

Hourly Planning Engagements

RANDOLPH MANAGED INVESTMENTS provides hourly planning services for clients who need advice on a limited scope of work. The hourly rate for limited scope engagements is \$150.

Asset Management

Assets are invested primarily in no-load mutual funds and exchange-traded funds, usually through discount brokers or fund companies. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Discount brokerages may charge a transaction fee for the purchase of some funds.

Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for stock and bond trades. RANDOLPH MANAGED INVESTMENTS does not receive any compensation, in any form, from fund companies.

Investments may also include: equities (stocks), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, and mutual funds shares), U. S. government securities, options contracts, futures contracts, and interests in partnerships.

Initial public offerings (IPOs) are not available through RANDOLPH MANAGED INVESTMENTS.

Termination of Agreement

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

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

Fees and Compensation

Description

RANDOLPH MANAGED INVESTMENTS bases its fees on a percentage of assets under management, hourly charges, and fixed fees.

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

Financial plans are priced according to the degree of complexity associated with the client's situation.

Fees are negotiable.

Fee Billing

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

Fees for financial plans are billed with the full amount due upon delivery of the financial plan.

Other Fees

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

RANDOLPH MANAGED INVESTMENTS, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

Managed Asset Advisory Service Agreement fees are calculated on a formula basis and adjusted for complexity of individual situations. *The formula is based on gross assets and other financial considerations.*

Expense Ratios

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to RANDOLPH MANAGED INVESTMENTS.

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

Past Due Accounts and Termination of Agreement

RANDOLPH MANAGED INVESTMENTS reserves the right to stop work on any account that is more than 90 days overdue. In addition, RANDOLPH MANAGED INVESTMENTS reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in

RANDOLPH MANAGED INVESTMENTS's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 30 days.

Performance-Based Fees

Sharing of Capital Gains

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

Types of Clients

Description

RANDOLPH MANAGED INVESTMENTS generally provides investment advice to individuals, pension and profit sharing plans, trusts, endowments, or charitable organizations, corporations or business entities.

Client relationships vary in scope and length of service.

Account Minimums

The minimum account size is \$500,000 of assets under management, which equates to an annual fee of \$3,750, using an Assets Under Management (AUM) formula. For a Managed Asset Investment Advisory Client, the agreement is a flat retainer fee with a \$4,000 minimum.

When an account falls below \$500,000 in value, the minimum annual fee is 0.75% per annum of assets under management is charged. Depending upon circumstances, RANDOLPH MANAGED INVESTMENTS may sign an *Hourly Agreement* with the client if assets have diminished significantly below \$200,000.

RANDOLPH MANAGED INVESTMENTS has the discretion to waive the account minimum. Accounts of less than \$500,000 may be set up when the client and the advisor anticipate the client will add additional funds to the accounts bringing the total to \$500,000 within a reasonable time. Other exceptions will apply to employees of RANDOLPH MANAGED INVESTMENTS and their relatives, or relatives of existing clients.

Clients receiving ongoing (Managed Asset Advisory Services Program) management services will be assessed a \$4,000 minimum annual fee. Clients with assets below the minimum account size may pay a higher percentage rate on their annual fees than the fees paid by clients with greater assets under management.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

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

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

Other sources of information that RANDOLPH MANAGED INVESTMENTS may use include Morningstar Principia mutual fund information, Morningstar Principia stock information, Charles Schwab & Company's "SchwabLink" service, Thompson Reuters Investment Services and the World Wide Web.

Investment Strategies

The primary investment strategy for client accounts is strategic asset allocation. This means that each asset class is allocated to a fixed percentage. Client portfolios are rebalanced periodically to maintain the fixed percentage. Typically passively-managed index open-ended mutual funds and exchange-traded funds (ETF's) are used to implement the strategic asset allocation. Sometimes equity securities may be held due to tax considerations, or upon the request of the client. The equity portion of the portfolio is globally diversified to control the risk associated with traditional markets. To further reduce risk and volatility, alternative investments are used, such as REIT's (real estate investment trusts), commodity indexes, market neutral or long-short strategies. Open-ended no load mutual funds comprise the alternative investments. Fixed income or bonds are typically diversified among Non-U.S. and U.S. domestic securities using no load mutual funds, both active and passive in nature with durations (or maturities) that are either short or intermediate in nature.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement (IPS) that documents their objectives and their desired investment strategy.

Other strategies may include individual municipal bond ladders for larger accounts rather than mutual funds.

Risk of Loss

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

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Disciplinary Information

Legal and Disciplinary

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

Other Financial Industry Activities and Affiliations

Financial Industry Activities

RANDOLPH MANAGED INVESTMENTS is a registered investment advisor.

Affiliations

RANDOLPH MANAGED INVESTMENTS has no arrangements that are material to its advisory or its clients with a related person who is a broker-dealer, investment company, other investment advisor, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships.

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

Code of Ethics

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

Participation or Interest in Client Transactions

RANDOLPH MANAGED INVESTMENTS and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the RANDOLPH MANAGED INVESTMENTS *Compliance Manual*.

Personal Trading

The Chief Compliance Officer of RANDOLPH MANAGED INVESTMENTS is Michael A. Randolph. He reviews all employee trades each quarter. His trades are reviewed by the Chief Compliance Officer. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

Brokerage Practices

Selecting Brokerage Firms

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

RANDOLPH MANAGED INVESTMENTS currently recommends discount brokerage firms and trust companies (qualified custodians), such as Charles Schwab & Co., Inc. and Vanguard Investments.

RANDOLPH MANAGED INVESTMENTS does not receive fees or commissions from any of these arrangements.

Best Execution

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

Soft Dollars

RANDOLPH MANAGED INVESTMENTS receives a software maintenance credit of about \$800 per year from Charles Schwab & Company because some client assets are custodied at Schwab. This credit offsets annual maintenance fees for our portfolio management software. All clients benefit from this credit as it reduces the firm's overall expenses.

The selection of Charles Schwab & Company as a custodian for clients is not affected by this nominal credit.

Order Aggregation

Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit.

Review of Accounts

Periodic Reviews

Account reviews are performed quarterly by advisor Michael A. Randolph, owner. Account reviews are performed more frequently when market conditions dictate.

Review Triggers

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

Regular Reports

Clients receive periodic communications typically on a quarterly basis, or at least an annual basis. *Investment Advisory Service Agreement* clients, *Managed Asset Advisory Service Agreement* clients, and *Performance Monitor Advisory Service Agreement* clients receive written quarterly updates. The written updates may include a net worth statement and a summary of objectives and progress towards meeting those objectives.

Client Referrals and Other Compensation

Incoming Referrals

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

Referrals Out

RANDOLPH MANAGED INVESTMENTS does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Other Compensation

Not applicable to Randolph Managed Investments.

Custody

Account Statements

All assets are held at qualified custodian's, which means the custodian's provide account statements directly to clients at their address of record at least quarterly.

Performance Reports

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by RANDOLPH MANAGED INVESTMENTS.

Net Worth Statements

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

Investment Discretion

Discretionary Authority for Trading

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

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

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

Limited Power of Attorney

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

Voting Client Securities

Proxy Votes

RANDOLPH MANAGED INVESTMENTS does not vote proxies on securities. Clients are expected to vote their own proxies.

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

Financial Information

Financial Condition

RANDOLPH MANAGED INVESTMENTS does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because RANDOLPH MANAGED INVESTMENTS does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$600 per client, and six months or more in advance.

Business Continuity Plan

General

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

Disasters

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

Alternate Offices

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

Loss of Key Personnel

RANDOLPH MANAGED INVESTMENTS has signed a Business Continuation Agreement with another financial advisory firm to support RANDOLPH MANAGED INVESTMENTS in the event of the principal Michael A. Randolph's serious disability or death.

Information Security Program

Information Security

RANDOLPH MANAGED INVESTMENTS maintains an information security program to reduce the risk that your personal and confidential information may be breached.

Privacy Notice

RANDOLPH MANAGED INVESTMENTS is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephoning (707) 573-1357, mail, fax (707) 573-0309, email at: mrandolph@investrmi.com, or in person. With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and California securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and California securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually, in writing.

Brochure Supplement (Part 2B of Form ADV)

Education and Business Standards

RANDOLPH MANAGED INVESTMENTS requires that advisors in its employ have a bachelor's degree and further coursework demonstrating knowledge of financial planning and tax planning. Examples of acceptable coursework include: an MBA, a CFP®, a CFA, JD, EA or CPA. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management.

Professional Certifications

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

Certified Financial Planner (CFP): Certified Financial Planners are licensed by the CFP Board to use the CFP mark. CFP certification requirements:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP Board (www.cfp.net).
- Successful completion of the 10-hour CFP® Certification Exam.
- Three-year qualifying full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.

Chartered Financial Analyst (CFA): Chartered Financial Analysts are licensed by the CFA Institute to use the CFA mark. CFA certification requirements:

- Hold a bachelor's degree from an accredited institution or have equivalent education or work experience.
- Successful completion of all three exam levels of the CFA Program.
- Have 48 months of acceptable professional work experience in the investment decision-making process.
- Fulfill society requirements, which vary by society. Unless you are upgrading from affiliate membership, all societies require two sponsors as part of each application; these are submitted online by your sponsors.
- Agree to adhere to and sign the Member's Agreement, a Professional Conduct Statement, and any additional documentation requested by CFA Institute.

Enrolled Agent (EA): Enrolled Agents are enrolled by the Internal Revenue Service and authorized to use the EA designation. EA enrollment requirements:

- Successful completion of the three-part IRS Special Enrollment Examination (SEE), or completion of five years of employment by the IRS in a position which regularly interpreted and applied the tax code and its regulations.
- Successfully pass the background check conducted by the IRS.

Michael A. Randolph, CERTIFICATIONS

Educational Background:

- Date of Birth: January 16, 1947
- University of Nevada, B.S., 1964
- Golden Gate University, M.S. in Financial Planning, 1983
- Certified Financial Planner (CFP®)

Business Experience (Last 5 Years):

- 2005 to Present, Financial Planner, Investment Advisor
 - Michael A. Randolph, MS, CFP®
 - d.b.a. Randolph Managed Investments
 - 50 Old Courthouse Square, Suite 303, Santa Rosa, CA 95404

Business Affiliations:

- National Association of Personal Financial Advisors (NAPFA) member
- Financial Planning Association (FPA) member

Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None

Supervision:

Michael A. Randolph is the owner and principal of Randolph Managed Investments and is the Chief Compliance Officer. He reviews all employee work through frequent office interactions. He also reviews any employee activities through our client relationship management system.

SUPERVISOR'S contact information:

(707) 573-1357 email: mrandolph@investrmi.com

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None