

Item 1 – Cover Page



Firm Brochure

(Part 2A Form ADV)

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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.

August 22, 2011

Item 2 – Material Changes

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

Currently, our Brochure may be requested by contacting Michael Alan Randolph, owner at (707) 573-1357 or email at mrandolph@investrmi.com. Our Brochure is also available on our web site www.investrmi.com, also free of charge.

Additional information about [Michael Alan Randolph](#) is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with ["ADVISER"] who are registered, or are required to be registered, as investment adviser representatives of ["ADVISER"].

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Item 4 – Advisory Business

RANDOLPH MANAGED INVESTMENTS was founded in 1991 by Michael Alan Randolph.

RANDOLPH MANAGED INVESTMENTS provides personalized confidential financial planning and investment management to individuals, families and their related entities, pension and profit sharing plans, trusts, endowments, charitable organizations and small businesses. RANDOLPH MANAGED INVESTMENTS works with clients to define financial objectives and to develop strategies for reaching those objectives, some of which may include: identification of financial problems, cash flow and budget management, tax planning, risk exposure review, investment management, education funding, retirement planning, estate planning, charitable goals, special needs planning, family business succession issues, fringe benefits, and/or other issues specific to the client.

ALL material conflicts of interest under California Code of Regulations (CCR Section 260.238(k)) are disclosed in this Brochure regarding the investment adviser, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

RANDOLPH MANAGED INVESTMENTS compensation is solely from fees paid directly by clients. The firm does not receive commissions based on the client's purchase of any financial products, including insurance. No commissions in any form are accepted. No referral fees are paid or accepted. No benefits are received from custodians/broker dealers based on client securities transactions ("soft dollar benefits").

RANDOLPH MANAGED INVESTMENTS does NOT sponsor or participate in wrap fee programs.

Assets under direct management of RANDOLPH MANAGED INVESTMENTS are held by an independent custodian, Charles Schwab & Co., Inc. in the client's name. RANDOLPH MANAGED INVESTMENTS does not act as custodian of client's 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.) may be recommended at the request of the client. Other professionals are engaged directly by the client on an as-needed-basis even when recommended by the Advisor. Conflicts of interest will be disclosed to the client in the unlikely event they should occur and managed in the best interest of the client.

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 Alan 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 understand and evaluate their investments.

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 June 30, 2011, RANDOLPH MANAGED INVESTMENTS manages approximately \$52,624,000 in assets for approximately 60 clients. Approximately \$38,826,000 is managed on a discretionary basis, and \$12,798,000 is managed on a non-discretionary basis.

Tailored Relationships

At RANDOLPH MANAGED INVESTMENTS, advisory services are tailored to the individual needs of the client. The goals and objectives for each client are documented in our client relationship management system and in client files, either in hard copy or in electronic files.

Agreements may not be assigned without client consent.

Types of Agreements

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.

Investment Advisory Services Agreement

Clients may 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.

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 Advisory 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.

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.

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 (no-load 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.

Item 5 – Fees and Compensation

Description

All fees are subject to negotiation.

Please note, “lower fees for comparable services may be available from other sources.”

RANDOLPH MANAGED INVESTMENTS bases its investment management fees on a percentage of Assets Under Advisement, hourly charges, or a retainer that is not calculated on an Assets Under Advisement basis or on an hourly estimate.

1. **Financial Planning Services Agreement** client(s) fees are predicated upon the facts known at the start of the engagement. The hourly fee is \$200 per hour and the minimum fee is \$800. This fee 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.

2. **Investment Advisory Services Agreement** client(s) fees are 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 per year 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.

3. **Managed Asset Advisory Service Agreement** client(s) fees are provided to the client in writing prior to the start of the relationship. A *Managed Asset Advisory Services Agreement* differs in scope from the *Investment Advisory Services Agreement*. The Advisor's services will include monitoring and reporting of the performance of certain investments in the Client's Account, some of which may not be held at Charles Schwab & Co., Inc. and for which, the Advisor has not discretionary control. In this capacity, the Advisor may recommend changes, provide the Client with reports or other information, and periodically review the suitability of the investment(s) for the Client. Except as otherwise instructed by the Client, custodian will provide the Client a list of all assets held in the Account, asset values, and all transactions affecting the Account assets, including any additions or withdrawals at least quarterly.
 - a. Discretionary Authority: Investment managed services including continuing ongoing managed of accounts held at Charles Schwab & Co., Inc. Non-Discretionary Authority: Recommendations for non-discretionary accounts not held at Charles Schwab & Co., Inc. to be executed by the client. These could include 401k plans, deferred compensation plans, other brokerage accounts.
 - b. Non-Discretionary Authority: The Advisor will also make recommendations to Client on a non-discretionary basis regarding the investment of the assets of Accounts that are not held at Charles Schwab & Co., Inc. Such recommendations shall be made in accordance with the Investment Policy Statement attached to this Agreement as Schedule B, as that Schedule is amended from time to time. Client may accept or reject Advisor's recommendations as the Client sees fit; Client will be solely and exclusively responsible for implementing Advisor recommendations should Client determine it is advisable or appropriate to do so. Advisor shall have not duty or authority to direct or otherwise supervise the investment of the assets of the Client's Non-Discretionary Account(s). Nothing in this Agreement grants Advisor (as defined in Section 202(a)(17) of the Investment Advisor Act of 1940, as amended (the "Act")) the authority to take custody or possession of Client's Non-Discretionary assets.

c. Ongoing Financial Planning, which may include:

- i. Retirement Planning Analysis
- ii. Cash Flow Planning
- iii. College Planning
- iv. Insurance Planning
- v. Estate Planning Issues
- vi. Insurance Planning
- vii. Liability Planning

The minimum annual fee is \$4,000 per year 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.

4. **Performance Monitoring Advisory Services Agreement** client(s) fees are 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.

Fee Billing

1. **Financial Planning Services Agreements** client(s) are billed with the full amount due upon delivery of the financial plan.
2. **Investment Advisory Services Agreement** client(s) 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.
3. **Managed Asset Advisory Services Agreement** client(s) are billed quarterly, in arrears, meaning that we invoice you after the three-month billing period. 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.

4. **Performance Monitoring Advisory Services Agreement** client(s) are billed quarterly, in arrears meaning that we invoice you after the three-month billing period. 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.

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.

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 60 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.

Item 6 – Performance-Based Fees and Side-By-Side Management

RANDOLPH MANAGED INVESTMENTS does not charge 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. However, the nature of the Investment Advisory Agreement, which is based upon the assets under management, allows the Advisor to participate in the growth of the client's wealth. This also means that out fees can decline when the client's portfolio declines in value.

Item 7 – 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.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods include fundamental analysis. The main sources of information include Morningstar reports, fund prospectuses, S&P reports, Argus Reports, Thomas Reuters Stock Reports, financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, 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.

Item 9 – 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.

Item 10 – Other Financial Industry Activities and Affiliations

Financial Industry Activities

RANDOLPH MANAGED INVESTMENTS does not participate in any other industry business activities.

Affiliations

RANDOLPH MANAGED INVESTMENTS does not have arrangements that are material to its advisory business or its clients with any related person. We may at times recommend unrelated, third party investment managers who have a greater expertise in certain disciplines

when appropriate for the client; we do not receive any compensation for the recommendations or selection of these investment advisors.

Item 11 – Code of Ethics

Code of Ethics

The employees of RANDOLPH MANAGED INVESTMENTS have committed to a Code of Ethics and Fiduciary Oath as outlined by the National Association of Personal Financial Advisors (NAPFA). The key points are: putting the client's interest first, objectivity, confidentiality, competence, fairness, and suitability, integrity, and honesty, regulatory compliance, full disclosure, and professionalism. CFP® designees are also held to a Code of Ethics as outlined by the CFP® Board of Standards. 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 mutual funds that are also held by clients, but not securities held in client accounts. Employees comply with the provisions of the RANDOLPH MANAGED INVESTMENTS "Policies and Procedures Manual."

Personal Trading

The Chief Compliance Officer of RANDOLPH MANAGED INVESTMENTS is Michael Alan 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 employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

Item 12 – 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, and quality of service.

RANDOLPH MANAGED INVESTMENTS requires that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab), a FINRA-registered broker-dealer, member SIPC, to maintain custody of client's assets and to effect trades for their

accounts. Although RANDOLPH MANAGED INVESTMENTS may require clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. RANDOLPH MANAGED INVESTMENTS is independently owned and operated and not affiliated with Schwab.

Schwab provides RANDOLPH MANAGED INVESTMENTS with access to its institutional trading and custody services, which typically are not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Institutional. These services are not contingent upon the Advisor committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For RANDOLPH MANAGED INVESTMENT client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities that are executed through Schwab or that settle into Schwab accounts.

Schwab Institutional also makes available to the Advisor other products and services that benefit RANDOLPH MANAGED INVESTMENTS but may not directly benefit its clients' accounts.

Schwab's products and services that assist RANDOLPH MANAGED INVESTMENTS in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of RANDOLPH MANGED INVESTMENT advisory fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Institutional also offers other services intended to help RANDOLPH MANAGED INVESTMENTS manage and further develop its business enterprises. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practical management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to RANDOLPH MANAGED INVESTMENTS. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-part providing these services to RANDOLPH MANAGED INVESTMENTS. Schwab Institutional may also provide other benefits such as educational events. In evaluating whether to recommend or require that clients custody their assets at Schwab, RANDOLPH MANAGED INVESTMENTS may take into account the availability of some of the foregoing products and services and other arrangements as part of

the total mix of factors it considers and not solely the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

Best Execution

RANDOLPH MANAGED INVESTMENTS reviews the execution of trades at each custodian annually. The review is documented in the RANDOLPH MANAGED INVESTMENTS *Compliance Manual*. Trading fees charged by the custodians is also reviewed on an annual 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.

Item 13 – Review of Accounts

Periodic Review

Account reviews are performed quarterly by advisor Michael Alan 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.

Item 14 – 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.

Referred 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

Item 15 – 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.

Item 16 – 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

Clients must sign a limited power of attorney before RANDOLPH MANAGED INVESTMENTS is given discretionary authority to execute trades in your account. The limited power of attorney is included in the qualified custodian's account application with Schwab.

Item 17 – 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.

Item 18 – 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 \$500 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 Alan Randolph's serious disability or death.

Information Security Plan

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.

Item 19 – Requirements for State-Registered Advisers

Randolph Managed Investments is the sole proprietorship of Michael Alan Randolph and has no other management persons employed in its business.

Michael Alan Randolph has a Masters Degree in Financial Planning from Golden Gate University and is a Certified Financial Planner™. He has over 20 years of experience as a financial advisor. Further details regarding his qualifications can found in Form ADV Part 2B.

Michael Alan Randolph is not engaged in any other business activities other than providing financial planning and investments to clients.

Randolph Managed Investments does not accept or base its compensation on the performance of its investment portfolios, or what is referred to as *performance-based fees*.

Randolph Managed Investments and Michael Alan Randolph has no past or current litigation or arbitration cases pending.

Lastly, Randolph Managed Investments and Michael Alan Randolph have no relationships or arrangements with any issuer of securities.

Item 1- Cover Page

Michael Alan Randolph

Randolph Managed Investments

50 Old Courthouse Square, Suite 303

(707) 573-1357

August 22, 2011

This Brochure Supplement provides information about Michael Alan Randolph that supplements the Randolph Managed Investments Brochure. You should have received a copy of that Brochure. Please contact Michael Alan Randolph if you did not receive Randolph Managed Investment's Brochure or if you have any questions about the contents of this supplement.

Additional information about Michael Alan Randolph is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2- Educational Background and Business Experience

Education and Business Standards

Randolph Managed Investments requires that any employee whose function involves determining investment advice to clients must be a graduate of a four year degree college and must:

1. Have at least 3 years' of experience in insurance, investments, accounting or financial planning.
2. Must hold or be pursuing the following designations: Certified Financial Planner™ (CFP®), Certified Public Accountant (CPA), Certified Financial Analyst (CFA) or a Chartered Financial Consultant (CHFC®).
3. Subscribe to a Code of Ethics of the National Association of Personal Financial Advisors (NAPFA) and the CFP® Board of Standards.
4. Be properly licensed for advisory services in which they are engaged.

Randolph Managed Investments

Michael Alan Randolph, M.S., CPP® Owner – Certifications

- Year of Birth – 1947
- Formal Education:
 - Bachelor of Science, University of Nevada, 1970
 - Master of Science, Golden Gate University, 1983
- Business Experience:
 - Since 1991, Michael Alan Randolph has been a fee-only financial planner, having worked with several fee-only financial planning firms, a Portfolio Manager with DAL Investment Company in San Francisco (also publisher of *NoLoad Fund*X* Newsletter) and over 10 years experience as Senior Investment Advisor to Pisenti & Brinker CPA's & Consultants, LLP, which later created Wealth Management Consultants, LLC of Santa Rosa, California
 - Presently, Financial Planner/Investment Advisor
 - Michael Alan Randolph, MS, CFP® owner
 - 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

Professional Certification (Descriptions)

Certified Financial Planner (CFP®):

- 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.

Item 3- Disciplinary Information

Sample Language: Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

Randolph Managed Investments

Item 4- Other Business Activities

Michael Alan Randolph is not engaged in any other business activities.

Item 5- Additional Compensation

Michael Alan Randolph does not receive any additional compensation.

Item 6 - Supervision

Michael Alan Randolph is the owner and principal of Randolph Managed Investments and is the Chief Compliance Officer (CCO). He reviews all employee work through frequent office interactions. He also reviews any employee activities through our client management systems.

Item 7- Requirements for State-Registered Advisers

Michael Alan Randolph has met the requirements for State-Registered Advisers and is not, nor has not been involved in any arbitration claims, administrative proceeds, or bankruptcy petitions as outlined by the State of California Department of Corporations.