

Part 2A of Form ADV: Firm Brochure

ASPEN FINANCIAL MANAGEMENT, INC.

672 Cardinal Way
Fernley, NV 89408
775-575-7070

www.aspenfm.com

Date of Last Revision: February 2, 2011

This brochure provides information about the qualifications and business practices of *Aspen Financial Management, Inc.* If you have any questions about the contents of this brochure, please contact us at 775-575-7070 and/or amy@aspenfm.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration is mandatory for all persons meeting the definition of investment advisor and does not imply a certain level of skill or training.

Additional information about *Aspen Financial Management* also is available on the SEC's website at www.advisorinfo.sec.gov

Summary of Material Changes

As of July 28, 2010, the Securities and Exchange Commission (SEC) adopted amendments to part 2 of form ADV requiring investment advisors to provide new and prospective clients with a brochure and brochure supplements that are written in plain English. The SEC wanted to make it easier for clients to obtain information about their investment advisor representative (IA Reps) and to understand what they are reading. This brochure is a disclosure document that the IA Rep is required to provide to their clients.

We have attached the new brochure along with a supplement giving you information about the firm and your IA Rep. In the past, the ADV part 2 was displayed in a check-the-box or fill-in-the-blank format. This new format provides 18 separate items that will cover different disclosure topics. In reviewing the brochure, you will find such topics as: Advisory Business, Methods of Analysis, Investment Strategies, Risk of Loss, and other investment related topics.

In the future this page (material changes) will list a summary of any changes from the last date of revision of the previous brochure. The summary will be provided to you by means of an annual offering.

Table of Contents

<i>Cover Page</i>	<u>1</u>
<i>Material Changes</i>	<u>2</u>
<i>Table of Contents</i>	3
<i>Advisory Business</i>	4
<i>Fees and Compensation</i>	4
<i>Performance-Based Fees And Side-By-Side Management</i>	<u>6</u>
<i>Types of Clients</i>	6
<i>Methods of Analysis, Investment Strategies, and Risk of Loss</i>	6
<i>Disciplinary Information</i>	7
<i>Other Financial Industry Activities and Affiliations</i>	7
<i>Code of Ethics, Participation or Interest In Client Transactions, and Personal Trading</i> ..	7
<i>Brokerage Practices</i>	8
<i>Review of Accounts</i>	9
<i>Client Referrals & Other Compensation</i>	9
<i>Custody</i>	9
<i>Investment Discretion</i>	9
<i>Voting Client Securities</i>	9
<i>Financial Information</i>	10

Advisory Business

Firm

Aspen Financial Management (Aspen) is a Registered Investment Advisory firm that has been providing investment advisory services since 2000. Alan Kepfer is the founder and President and has been in the financial services industry since 1994. Amy Kepfer is Vice President and Chief Compliance Officer. Aspen is owned 100% by the Alan and Amy Kepfer Living Trust.

Advisory Services

Aspen provides investment advisory services to its clients. These services include investment selection, portfolio management, financial planning, and financial consultation. Client services are based on individual needs whereas the IA Rep collects important data from the initial interview and the Clients Risk Profile to determine the client's financial situation, investment objectives, and to give the client the opportunity to impose reasonable restrictions on the management of the account. This also gives the client the opportunity to discuss with the IA Rep as to what type of securities they would feel comfortable investing in or those securities they would not feel comfortable with. It is the client's responsibility to notify the IA Rep at any time there are changes. Clients may call to discuss directly with the IA Rep about the client's account, financial situation, or investment needs. Clients will receive from the custodian timely confirmations and at least quarterly statements containing a description of all transactions and all account activity. The client will retain rights of ownership of all securities and funds in the account to the same extent as if the client held the securities and funds under their own control.

As of January 1, 2011, Aspen had approximately \$34,800,000 of assets under management on a discretionary basis, and \$1,960,000 of assets under management on a non-discretionary basis.

Aspen provides financial plans consistent with the individual client's financial and tax status and risk/reward objectives. Planning may be comprehensive or segmented and focus on investments, insurance, taxes, and/or estate plans.

On occasion, we hold seminars. These seminars may include presentations on various securities and insurance products, or on financial planning strategies. A fee is not charged to those in attendance.

Fees and Compensation

Annualized Fees

	From	To	Per Year
The First	\$0	\$1,000,000	1.75%
The Next	\$1,000,000	Up	1.00%

Aspen is compensated for investment management based on clients' assets under management. Fees can be negotiable under the following circumstances:

- Combined Client Family accounts of \$5,000,000 or more
- Aspen employees and IA Rep employees
- IA Rep personal and family accounts
- Non-Discretionary Defined Contribution Plans
- Family accounts can be grouped into the fee arrangement above

Fees are due on the first day of the calendar quarter for the current quarter, and are based on the account's asset value as of the last business day of the previous quarter. Fees are prorated for accounts opened during the quarter.

Payment of fees may be paid direct by the client, or client may authorize the custodian holding client funds and securities to deduct Aspen advisory fees direct from the client account in accordance with statements prepared and submitted to the custodian by Aspen. The custodian provides a line item with the fee deducted on the quarterly account statements to the client. Such statements will reflect all fee withdrawals by Aspen. Aspen will prepare billing statements with an itemization of the management fee. It is the client's responsibility to verify the accuracy of the fee calculation. The custodian will not determine whether the fee is properly calculated.

The account custodian may charge fees and commissions, which are in addition to and separate from the investment advisory fee. Custodians may charge accounts for various transaction costs, and administration fees. In addition, some mutual fund and exchange traded funds (ETF) assets deposited in the account may have been subject to deferred sales charges and 12 (b)(1) fees and other annual expenses as described in each fund's prospectus. Advisory clients should also note that fees for comparable services vary and lower fees may be available from other sources.

The client may terminate the Agreement without penalty within five business days of signature. At the option of the IA Rep the client will either be provided with a full refund or will be assessed for actual time and charges incurred.

IA Reps may provide financial plans consistent with the individual client's financial situation, tax status and risk/reward objectives. Planning may be comprehensive or "segmented" and focus on investments, insurance, taxes, estate planning and/or plans. The financial plan gives financial advice not tax or legal advice. The IA Rep may refer clients to other professionals for those services. The client is always free to accept or reject such referrals. IA Rep may provide financial consultations for clients not needing a full financial plan.

Fees for financial plans and or consultations vary by the IA Rep performing the services. In no instance will the rate exceed \$250.00 per hour or more than \$5,000 for a comprehensive plan. IA Rep may request a retainer of up to 50% of the estimated fee, with the balance due upon delivery of the plan.

On occasion, the IA Rep may hold seminars open to the public or select clients. These seminars may include presentations on various securities, insurance products, estate planning or on financial planning strategies in general or a combination thereof. Seminars are offered free of charge.

Performance-Based Fees And Side-By-Side Management

Aspen does not charge performance-based fees, which is based on capital gains in the client account.

Types of Clients

Aspen provides advisory services to individuals, non-profit organizations, and corporations/other business. We do not have any minimum requirements for opening or maintaining an account for clients retaining financial planning or portfolio management services; however, it is up to the discretion of the IA Rep to have minimums.

Methods of Analysis, Investment Strategies, and Risk of Loss

Aspen's methods of analysis include fundamental and technical analysis of individual securities and markets. Technical analysis is a method of evaluating securities and markets by analyzing statistics generated by market activity, such as past prices and volume. This method uses charts and other tools to identify patterns that can suggest future activity. Fundamental analysis consists of evaluating a security by attempting to measure its intrinsic value through examining related economic, financial and other qualitative and quantitative factors. IA Reps may use one or another type of research analysis or a combination to make buy and sell decisions and may vary from one holding to another, at the IA Reps discretion and best judgment, at that moment in time.

Aspen uses a number of resources in order to evaluate investment portfolios. These resources consist of: financial newspapers and magazines, timing services, annual reports, prospectus, filings with the Securities and Exchange Commission, research materials prepared by others and corporate rating services.

Prior to managing a client's portfolio, IA Reps with the firm will have the client complete a risk assessment to determine what investments are appropriate. The risk assessment will be reviewed prior to any investing within the client's portfolio.

While there is risk in all investments, some carry a greater degree of risk or higher costs. There is no guarantee that the investment strategy selected for the client will result in the client's goals being met, nor is there any guarantee of profit or protection from loss. For those investments sold by prospectus, clients should read the prospectus in full.

Both fundamental and technical analysis involves risk of loss. Both methods look at past information that can change in the future, and if conditions change, it is possible to lose value.

ETF's, individual stocks, and mutual funds make up a large proportion of our client portfolios and all involve risk of loss. Although ETF's and mutual funds are diversified over various investments, there is no guarantee that all positions in one or all ETF's or mutual funds could not lose value. Individual stocks also involve risks and may lose value.

Disciplinary Information

An investment advisor must disclose material facts about any legal or disciplinary event that is material to a client's evaluation of the advisory business or of the integrity of its management personnel. Aspen does not have any disclosure items.

Other Financial Industry Activities and Affiliations

IA Reps of our firm may be licensed as insurance agents. Insurance products are offered through a variety of insurance companies. If clients purchase these products through insurance companies we represent, we receive the normal commissions. Thus, a conflict of interest exists between our interests and those of advisory clients. The client is under no obligation to purchase products recommended, or to purchase products either through us or through these insurance companies.

IA Reps may refer on clients to banking institutions that pay asset based fees for referring our clients to them. Thus, conflict of interest exists between our interests and those of advisory clients. The client is under no obligation to work with the banking institutions recommended or to set up accounts with these banking institutions.

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

Code of Ethics

Aspen maintains a code of ethics, which sets forth standards of conduct, expected of advisory personnel; requires compliance with federal securities laws; and, addresses conflicts that arise from personal trading by advisory personnel. Aspen and its personnel owe a duty of loyalty, fairness and good faith towards their clients, and the obligation to adhere not only to the specific provisions of the code but also to the general principles that guide the code. Clients may request a copy of the code of ethics.

Participation or Interest in Client Transactions

Aspen does not participate or have an interest in third party sponsorships at this time.

Personal Trading

At times, Aspen and/or its IA Reps may take positions in the same securities as clients in their personal accounts, and we will try to avoid conflicts with clients. The firm and its IA Reps will generally be "last in" and "last out" for the trading day when trading occurs in close proximity to client trades. We will not violate our fiduciary responsibilities to our clients. Scalping (trading shortly ahead of clients) is prohibited. Should a conflict occur because of materiality (i.e. a thinly traded stock), disclosure will be made to the client(s) at the time of trading. Incidental trading not deemed to be a conflict (i.e. a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price), would not

be disclosed at the time of trading.

Brokerage Practices

Aspen will suggest brokers to its clients as custodians for their portfolios. Aspen tries to select brokers that are reasonable in their trading commissions and operational fees. If research is used from a particular broker, the service is used for all client accounts. No procedures are used to direct client transactions to a particular broker in return for products and research services. Aspen is not affiliated with any custodian of use. IA Rep's of our firm are not registered representatives of the custodians of use and do not receive any commissions or fees from recommending these services.

Directed Brokerage

Client may direct brokerage to a specified broker/dealer other than the firm recommended by Aspen. It is up to the client to negotiate the commission rate, as Aspen will not. The client may not be able to negotiate the most competitive rate. As a result, the client may pay more than the rate available through the broker/dealer used by Aspen. In client directed brokerage arrangements, the client may not be able to participate in aggregated ("blocked") trades, which may help reduce the cost of execution. The time of execution of a particular trade may also be delayed due to required switching from one brokerage firm to another for that particular security being traded. This would result in a price differential in client accounts for that security. Where the client does not otherwise designate a broker/dealer, Aspen recommends a broker/dealer with competitive commission rates.

Trade Aggregation

While individual client advice is provided for each account, client trades may or may not be executed as a block trade. Aspen encourages its existing and new clients to use the Aspen's "lead custodian." Only accounts in the custody of the lead custodian would have the opportunity to participate in aggregated securities transactions. All block trades using the lead custodian will be aggregated and done in the name of Aspen. The executing broker will be informed that the trades are for the account of Aspen's clients and not for Aspen itself. No advisory account within the block trade will be favored over any other advisory account, and thus, each account will participate in an aggregated order at the average share price and receive the same commission rate. The aggregation should, on average, reduce slightly the costs of execution, and Aspen will not aggregate a client's order if Aspen believes that aggregation would cause the client's cost of execution to be increased. The custodian will be notified of the amount of each trade for each account. Aspen and/or its IA Reps may participate in block trades with clients, and may also participate on a pro rata basis for partial fills, but only if clients receive fair and equitable treatment.

Review of Accounts

Aspen offers clients a review on an as needed basis. Market conditions or other factors could cause a more frequent review. Aspen may also review the portfolio if the client requests. This would require only the IA Rep to review unless the client requests the supervisor to review in addition. Each IA Rep is assigned clients that they have brought to the firm unless an agreement between the IA Rep and the client involved, agrees to be assigned to another IA Rep. No minimum or maximum number of accounts are assigned to an IA Rep.

Generally, clients retaining services for financial plans or consultations would not receive any scheduled reviews unless we are specifically retained for these services. The financial plan is a snapshot in time and no ongoing reviews are conducted. We recommend that clients review financial goals and objectives on an annual basis. We recommend clients engage us on an annual basis to update the financial plan.

Client Referrals & Other Compensation

Aspen does not receive or pay any compensation for client referrals nor does it receive or pay any account fee or commission for recommending other advisors or registered investment advisors to clients.

Custody

Aspen is deemed to have custody of client funds solely because of the fee deduction authority granted by the client in the investment advisory agreement. Clients will receive account statements at least quarterly from the qualified custodian. Client is urged to compare custodial account statements against statements prepared by Aspen for accuracy. Minor variations may occur because of reporting dates, accrual methods of interest and dividends, and other factors. The custodial statement is the official record of your account for tax purposes.

Investment Discretion

Aspen maintains full discretion under a limited power of attorney as to the securities and amount of securities. Full discretion states that Aspen will have complete discretion over the selection and amount of securities to be bought or sold without obtaining specific client consent.

Aspen will on a case by case basis allow client directed securities in their discretionary portfolios. It is the responsibility of the client to advise IA Rep, when they wish to liquidate these holdings.

Voting Client Securities

Aspen does not vote on proxies on behalf of the client. It is the client's responsibility to vote proxies. Clients will receive proxy materials directly from the custodian. Questions about proxies may be made via the contact information on the cover page.

Financial Information

An investment advisor must provide financial information if a threshold of fee prepayments is met; there is a financial condition likely to impair the ability to meet contractual commitments; or, a bankruptcy within the past ten years. Aspen does not have any disclosure items in this section.

