

# EHB Financial Resources Management, Inc.

674 Exton Commons, Exton, PA 19341

(610) 594-2701

January 31, 2011

This Brochure provides information about the qualifications and business practices of EHB Financial Resources Management, Inc. If you have any questions about the contents of this Brochure, please contact us at (610) 594-2701 or [K\\_Ebner@msn.com](mailto:K_Ebner@msn.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.

EHB Financial Resources Management, Inc. ("The Firm") is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about EHB Financial Resources Management, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

On July 28, 2010, the United States Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated January 31, 2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous Brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Kurt M. Ebner, Partner at (610) 594-2701 or K\_Ebner@msn.com.

Additional information about EHB Financial Resources Management, Inc. is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with EHB Financial Resources Management, Inc. who are registered, or are required to be registered, as investment adviser representatives of EHB Financial Resources Management, Inc.

### Item 3 -Table of Contents

■ Item 1 – Cover Page.....	1
■ Item 2 – Material Changes .....	2
■ Item 3 – Table of Contents .....	3
■ Item 4 – Advisory Business .....	4
■ Item 5 – Fees and Compensation .....	4
■ Item 6 – Performance-Based Fees and Side-By-Side Management .....	5
■ Item 7 – Types of Clients .....	5
■ Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	5
■ Item 9 – Disciplinary Information .....	6
■ Item 10 – Other Financial Industry Activities and Affiliations.....	6
■ Item 11 – Code of Ethics.....	6
■ Item 12 – Brokerage Practices .....	7
■ Item 13 – Review of Accounts .....	8
■ Item 14 – Client Referrals and Other Compensation.....	8
■ Item 15 – Custody .....	8
■ Item 16 – Investment Discretion.....	9
■ Item 17 – Voting Client Securities .....	9
■ Item 18 – Financial Information .....	9
■ Item 19 – Requirements for State-Registered Advisers.....	9

Brochure Supplement(s)

**Item 4 – Advisory Business****INVESTMENT SUPERVISORY SERVICE**

EHB Financial Resources Management, Inc. engages primarily in investment supervisory services. After a full appraisal of the client's current financial situation an investment policy is developed. The investment policy statement establishes the client's risk tolerance and return objectives subject to the client's restraints. These restraints include liquidity needs, time horizons, legal issues, tax factors, and unique circumstances. The client's investment strategy and asset allocation model is developed for the client's approval. The initial asset mix and future changes must be approved by the client. The client may impose restrictions on certain investments or investment types. The client must approve all security transactions prior to implementation. The Firm does not manage any discretionary accounts. The Firm, as of January 31st, 2011 manages \$50,900,000 of our clients' funds.

**ACCOUNTING AND TAX SERVICES**

EHB Financial Resources Management, Inc. offers accounting services such as personal and business accounting services. Such services include, but are not limited to, tax preparation, pension accounting, trust accounting, management consulting, and bookkeeping. The client is under no obligation to use the accounting services.

Typically a broad based financial plan and accounting service could include advice on income, estate, and gift tax; purchase, sale, or retention of various forms of insurance; and the purchase, sale, or retention of other assets other than securities. Advice on generally accepted accounting principles may also be given.

**Item 5 – Fees and Compensation**

EHB Financial Resources Management, Inc. is compensated for supervisory services by the dollar value of the assets under management subject to the following schedule:

\$0 - \$1,000,000	1.00% Annually
Additional Assets over \$1,000,000	.50% Annually

All fees are billed on a quarterly basis based on the value of assets at the close of the last business day of the quarter. New accounts are prorated when assets are not under management the entire quarter. All fees are billed in arrears. Fees are not negotiable.

Clients may terminate the relationship with The Firm at any time. The notice of termination must be in writing.

The fees for Accounting Services are separate and apart from the Investment Supervisory Services. These fees will be billed separate from the investment advisory fee.

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

EHB Financial Resources Management, Inc. does not charge any performance-based fees (fees based on a share of capital gains or on capital appreciation of the assets of a client).

## **Item 7 – Types of Clients**

EHB Financial Resources Management, Inc. provides portfolio management services to individuals; pension and profit sharing plans; trusts, estates, or charitable organizations; and corporations or business entities other than those previously listed.

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

EHB Financial Resources Management, Inc. will develop an asset allocation plan for each of our clients. This plan will help us determine if you have the right mix of investments for your personal situation. Once the plan is developed it provides a disciplined and systematic approach to investing. The Firm uses it as a guide for defining your personal investment objectives to determine a suitable portfolio. With all of the investment choices available, this plan helps The Firm evaluate the many investment choices and create a well designed plan specific to the client's needs.

The client's asset allocation plan can determine over 90% of the performance of your investment portfolio. How The Firm allocates your investment dollars far outweighs the potential effects of security selection and market timing. This is based on Nobel-prize winning concepts of Modern Portfolio Theory-that through intelligent diversification you can protect against many investment risks. Gains in one investment may help offset losses in another. The Firm has a long term purchase strategy, with an objective to hold investments more than a year.

The Firm will typically use mutual funds and exchange traded funds as the investment types to implement the asset allocation plan. The Firm however may use individual stocks, bonds, or other investment types to implement the asset allocation plan. Clients may request the use of specific investments and The Firm will then build the allocation plan around the client's specific request. Clients should be aware that investing in securities involves risk of loss that clients should be prepared to bear.

The Firm uses many methods to analyze the investments used in implementation of the asset allocation plan. A fundamental analysis of the investment choice would include the determination of how the investment will meet the specific needs of a client's allocation. The performance history of an investment, expenses associated with the investment, and performance

relative to it peers are just of few criteria used to evaluate suitable investments.

The Firm's main sources of information are financial newspapers and magazines, corporate rating services, annual reports, prospectuses, corporate web sites, and research prepared by others.

**Item-9  
Disciplinary Information**

### **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding legal or disciplinary events that would be material to your evaluation of EHB Financial Resources Management, Inc. or the integrity of The Firm's management. EHB Financial Resources Management, Inc. has no information applicable to this Item.

**Item-10  
Other Activities**

### **Item 10 – Other Financial Industry Activities and Affiliations**

EHB Financial Resources Management, Inc. is actively engaged in accounting services, tax preparation and financial planning. These are business activities other than giving investment advice. The Firm usually provides these services as an accommodation to our investment management clients. On a very limited basis, The Firm may provide such services for a fee to individuals who are not asset management clients.

EHB Financial Resources Management, Inc., nor any related person, does not have any arrangements, oral or in writing, where it is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients.

**Item-11  
Code of Ethics**

### **Item 11 – Code of Ethics**

EHB Financial Resources Management, Inc. has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at The Firm must acknowledge the term of the Code of Ethics annually, or as amended.

Since persons associated with The Firm may invest in stocks, bonds, mutual funds, and other investments which The Firm may give advice, a list of associated persons' investments is available upon request. In the case of the purchase or sale of securities, clients' accounts are given preference over transactions executed on behalf of associated persons. Personal transactions in which a possible conflict of interest could occur are fully disclosed so that the client is aware of any potential conflict.

EHB Financial Resources Management, Inc. has a duty of utmost faith to act solely in the best interests of each of our clients. Our clients entrust us with their funds, which in turn places a high standard on our conduct and integrity. This fiduciary duty is the core principle underlying this Code of Ethics and Personal Trading policy. The Code of Ethics consists of the following core principles:

- (1) The interests of clients will be placed ahead of the firm's or any employee's own investment interests.
- (2) Employees are expected to conduct their personal securities transactions in accordance with the Personal Trading Policy and will strive to avoid any actual or perceived conflict of interest with the client.
- (3) Employees will not take inappropriate advantage of their position in the firm.
- (4) Employees are expected to act in the best interest of each of our clients.
- (5) Employees are expected to comply with federal securities laws.

A copy of the firm's Code of Ethics and Personal Trading Policy is available on request. The firm maintains a strict Privacy Policy which is also available on request.

## **Item 12 – Brokerage Practices**

EHB Financial Resources Management, Inc., may require that clients establish brokerage accounts with the Schwab institutional division of Charles Schwab & Co., Inc., ("Schwab"), a registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. The Firm is independently owned and operated and not affiliated with Schwab. Schwab provides The Firm with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment Advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the Adviser's clients' assets is maintained in accounts at Schwab Institutional and is not otherwise contingent upon Adviser committing to Schwab any specific amount of business (assets in custody or trading). Schwab's services include brokerage, 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 The Firm's clients' accounts maintained in its custody, Schwab generally does not charge separately for the custody but is compensated by account holders through commissions or other transaction-related fees for securities traded that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to The Firm other products and services that benefit The Firm but may not benefit its clients' accounts. Some of these other products and services assist The Firm in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of The Firm's fees from its clients' accounts; and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of The Firm's accounts, including accounts not maintained at Schwab Institutional.

Schwab Institutional also makes available to The Firm other services intended to help EHB Financial Resources Management, Inc. manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services rendered to The Firm by independent third parties. 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 party providing these services to The Firm. While as a fiduciary, The Firm endeavors to act in its clients' best interests, and The Firm's requirement that clients maintain their assets in accounts at Schwab may be based in part on the benefit to The Firm of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

### **Item 13 – Review of Accounts**

A client's portfolio will be reviewed at least quarterly, but also will be reviewed in the following situations: changes in the client's financial situation, additional funds invested, distribution requirements, price limits achieved, asset allocation changes, and any other special situations that may arise.

Reviewers are instructed to see if the client's portfolio has deviated from the client's investment policy and react to the changes. The reviewers include only those capable of doing advising, which includes the principal in charge of client investment policy.

### **Item 14 – Client Referrals and Other Compensation**

EHB Financial Resources Management, Inc. does not directly or indirectly compensate any person or company for client referral. While The Firm welcomes client referrals, we have a firm policy which strictly forbids the payment of any compensation to any individual or company.

The Firm receives no additional compensation for referring clients to other professionals or companies. The Firm receives no additional compensation.

### **Item 15 – Custody**

A client will receive monthly statements from the securities firm that has the custody of the client's assets. These monthly statements will show the account value on the last day of the month and the activity in the account. The Firm on a daily basis reconciles the custodians account balance with the balance The Firm reflects in the client account. The Firm urges you to carefully review such statements and compare such official custodial records to the account statements that we provide to you. Each quarter EHB Financial Resources Management, Inc. sends a report showing the assets under management, the performance, and an invoice showing the fees charged to the account for the services provided. Account statements may be requested at anytime and are available to the client on demand. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.



### **Item 16 – Investment Discretion**

EHB Financial Resources Management, Inc. does not have discretionary authority over client accounts. The client gives The Firm limited authority over the client's account. The Firm has the authority to place trades on the client's behalf in the client's account, withdraw management fees directly from the account, and to distribute funds from the account to the client or to whom the client directs, only. The placement of trades and the distribution of funds are always client directed. The withdraw of fees is only performed after an invoice has been presented to the client showing the calculation and justification of the applicable fees.

### **Item 17 – Voting Client Securities**

Clients may obtain a copy of EHB Financial Resources Management, Inc. complete proxy voting policies and procedures upon request. Clients may also obtain information from The Firm about how The Firm voted any proxies on behalf of their account(s). The client may contact The Firm if they desire us to vote a particular way associated with their proxy votes. Clients may also request to vote their own proxy. The client must contact the firm in advance when they want to make their intention known concerning a particular proxy vote.

### **Item 18 – Financial Information**

Registered investment advisors are required in this item to provide you with certain financial information or disclosures about EHB Financial Resources Management, Inc. financial condition. The Firm has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

### **Item 19 – Requirements for State-Registered Advisers**

The state has not imposed any additional requirements on EHB Financial Resources Management, Inc. The Firm is required to disclose any additional items and will do so upon notification by the state.

Cover Page

**Kurt M. Ebner**  
**Adviser**

**EHB Financial Resources Management, Inc.**

674 Exton Commons

Exton, Pennsylvania 19341

(610) 594-2701

January 31, 2011

**This Brochure Supplement provides information about Kurt M. Ebner that supplements the EHB Financial Resources Management, Inc. Brochure. You should have received a copy of that Brochure. Please contact Elizabeth Ebner if you did not receive EHB Financial Resources Management, Inc.'s Brochure or if you have any questions about the contents of this supplement.**

**Additional information about Kurt Ebner is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2- Educational Background and Business Experience**

**Personal Information:**

Kurt Miller Ebner  
Born: April 11th, 1960

**Education:**

Bachelor of Science (B.S.) in Business Administration - Eastern University  
Master in Business Administration (M. B. A) in Finance - Drexel University

**Professional Designations Held by Mr. Ebner:**

MINIMUM QUALIFICATIONS REQUIRED FOR EACH DESIGNATION

**Chartered Financial Analyst (CFA) Holder**

**Issued by:** CFA Institute

**Prerequisites/Experience Required:**

Candidate must meet one of the following requirements:

- Undergraduate degree and four years of professional experience involving investment decision-making, or
- four years qualified work experience (full time, but not necessarily investment related)

**Educational Requirements:** Self-study program (250 hours of study for each of the 3 levels)

**Examination Type:** 3 course exams

**Continuing Education/Experience Requirements:** Optional

### **Certified Public Accountant (CPA)**

**Issued by:** Commonwealth of Pennsylvania  
Department of State  
Bureau of Professional and Occupational Affairs

#### **Prerequisites/Experience Requirement:**

Candidate must meet either of the following requirements:

- With a bachelor's degree, two years public accounting experience and at least 150 hours of supervised audit experience, or
- A master's degree, one year public accounting experience and at least 150 hours of supervised audit experience.

#### **Educational Requirements:**

Candidate must meet the following requirement:

A Bachelor's, or higher degree from a college or university approved at the time of graduation by the Department of Education with 150 credit hours, to include 36 hours in accounting, auditing, business law, finance or taxation subjects.

**Examination Type:** 4 exam parts (Audit, Financial, Regulatory, Business)

**Continuing Education/Experience Requirement:** 80 CE every two years

### **Certified Financial Planner (CFP)**

**Issued by:** Certified Financial Planner Board of Standards, Inc.

**Prerequisites/Experience Required:** Candidate must meet the following requirements:

- A bachelor's degree (or higher) from an accredited college or university, and
- 3 years of full-time personal financial planning experience

**Educational Requirements:** Candidate must complete a CFP-board registered program, or hold one of the following

- CPA
- ChFC
- Chartered Life Underwriter (CLU)
- CFA
- Ph.D. in business or economics
- Doctor of Business Administration
- Attorney's License

**Examination Type:** CFP Certification Examination

**Continuing Education/Experience Requirements:** 30 hours every 2-years

**Work Experience:**

1985-Present

EHB Financial Resources Management, Inc.- President

***Item 3- Disciplinary Information***

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.

***Item 4- Other Business Activities***

Registered investment advisers are required to disclosed if the advisor is actively engaged in any business or occupation for compensation. Mr. Ebner does not engage in any other business or occupation for compensation.

***Item 5- Additional Compensation***

The advisor receives no additional compensation. The advisor is a salaried employee of EHB Financial Resources Management, Inc. He receives no additional economic benefit. Economic benefit would include at least, commissions, sales awards and other prizes. Nor does he receive any bonus that is based, at least in part, on the number or amount of sales, client referrals, or new accounts.

***Item 6 - Supervision***

Due to the structure of the registered investment advisory firm, the president is the only investment advisor and therefore no additional supervision is needed or available.

***Item 7- Requirements for State-Registered Advisers***

No additional state requirement apply.