

Maryland Financial Group, Inc.

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The Legacy Account Program

Wrap Fee Disclosure Brochure

March 28, 2011

This wrap fee program brochure provides information about the qualifications and business practices of Maryland Financial Group, Inc. If you have any questions about the contents of this brochure, please contact us at 301.251.8550. 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.

Maryland Financial Group, Inc. 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 Maryland Financial Group, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov

Material Changes

On August 12, 2010, the United States Securities and Exchange Commission (“SEC”) published “Amendments to Form ADV” which revises the format of Schedule H of Form ADV. This brochure dated March 28, 2011 is prepared according to the new Form ADV Part 2 Appendix 1 format. As a result, we are providing you with a brochure that not only looks different, but contains information in a clearer format than our earlier disclosure documents.

In the past Maryland Financial Group, Inc. (“Maryland Financial, we, us, our, ours”) have offered or delivered information about our qualifications and business practices to clients on an annual basis. Going forward, we will ensure that you receive a summary of any material changes to our brochures by April 29th of each year.

We may also provide updated disclosure information about material changes on a more frequent basis. Any summaries of changes will

include the date of our last annual update of our brochure.

Currently, our brochure may be requested by contacting Amy Williard, Chief Compliance Officer at 301.251.8550 or awilliard@tmng-llc.net. We will provide you with a new brochure at any time without charge.

Additional information about us is available via the SEC’s website: www.adviserinfo.sec.gov. This website also provides information about any persons affiliated with Maryland Financial who are registered as investment adviser representatives (“your advisory representative”) of Maryland Financial. Information on our investment adviser representatives who work with your account can be found in our brochure supplements on the page shown in the table of contents to the right of this column.

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Services, Fees and Compensation

4A We act as portfolio managers for the Legacy Account Program. We work with you to identify your investment goals and objectives as well as risk tolerance in order to create an initial portfolio allocation designed to complement your financial situation and personal circumstances. Accounts will be managed based on your individual needs.

We will periodically review and update your financial circumstances and investment objectives; however, it is your responsibility to notify us of any material changes to your financial situation.

Product recommendations under this platform may include but are not limited to, equities, corporate debt securities, municipals bonds, mutual funds, government securities, and options. We directly manage and diversify your portfolio based upon your individual investment needs and objectives. Restrictions and guidelines that you impose effect the composition and performance of portfolios. For this reason, performance of portfolios within the same investment objective may differ.

Clients involved in the Maryland Financial Wrap Program will have your transactions costs bundled with the advisory fee. Securities and funds are selected with the aid of fundamental and technical analysis and the review of

independent research, news sources, corporate documents such as annual and quarterly reports and press releases and rating services.

You have the opportunity to place reasonable restrictions on the type of investments to be held in your portfolio. We will periodically review and update your financial circumstances and investment objectives. You should notify us promptly if there are any changes in your financial situation or investment objectives.

We offer our services on a wrap-fee basis only. Wrap fee structures allow you to pay an all-inclusive fee which includes:

- investment management fees shared by our firm, our advisory representatives, and, in some instances, the broker dealer of advisory representatives who are also registered as representatives of the broker-dealer;
- execution and clearing costs;
- transaction costs – if applicable – which may be paid to purchase and sell securities in your account; and
- custody fees.

We do not offer a non-wrap pricing option, where transaction charges can be unbundled from the advisory and administrative fees.

Below is the schedule of fees charged by us in connection with the Legacy Account Program. The fee charged is

not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client.

<u>Assets under Management</u>	<u>Annual Fee¹</u>
\$0 to \$249,999	2.35%
Next \$250,000 to \$499,999	2.00%
Next \$500,000 to \$999,999	1.75%
Next \$1,000,000 +	1.50%

¹Fees are negotiable at our sole discretion.

The asset-based fee is calculated at the end of the calendar quarter. The timing of the fee is determined at the time the advisory agreement is signed. The fee is based upon the value of the account, as of the last day of the quarter, as calculated by the custodian. Fees for the initial quarter will be adjusted pro-rata based upon the number of calendar days in the calendar quarter that the adviser agreement goes into effect. For any deposits or withdrawal of funds or securities within a billing period, we will prorate the fee due at the end of the quarter based on the number of days the assets were in the advisory account. We have the right to change any or all of our fee schedules with 30 days written notice.

A client agreement may be canceled by either party for any reason upon receipt of 30 days written notice. Upon termination of an account, any prepaid, unearned fees will be refunded. Any earned unpaid fees will be due and payable. The client has the right to

terminate an agreement within five business days after entering into it without owing us any fees.

As authorized in the Client Agreement, the account custodian withdraws advisory fees directly from the client's account according to the custodian's policies, practices and procedures. The custodian sends the client a statement, at least quarterly, indicating all the amounts disbursed from the account, including the amount of advisory fees. It is client's responsibility, not the custodian's, to verify the accuracy of the billing amount. We do not hold customer funds or securities. We will not have the authority to withdraw funds or take custody of client funds or securities other than where the client has authorized the deduction of investment advisory fees via a qualified custodian.

4B You should note that the same (or similar) services as those described above may be available from other sources at a lower cost to you. You should consider that depending upon the level of the wrap fee charges, the amount of portfolio activity in your account, the value of services that are provided, and other factors, a wrap fee may exceed the aggregate cost of services if they were to be provided separately. A non-wrapped pricing arrangement may be more cost effective for accounts that do not experience frequent trading activity.

4C The wrap fee does not include mark-ups, markdowns, or payment of brokerage commissions for transactions

made by a broker-dealer other than the custodian.

In addition to our fee, you may be required to pay other charges such as:

- custodial fees,
- brokerage commissions,
- transaction fees,
- SEC fees,
- internal fees and expenses charged by mutual funds or exchange traded funds (“ETFs”), and
- other fees and taxes on brokerage accounts and securities transactions.

Mutual fund companies, ETFs, and variable annuity issuers charge internal fees and expenses for their products. These fees and expenses are in addition to any advisory fees charged by us. Complete details of these internal fees and expenses are explained in the prospectuses for each investment. You are strongly encouraged to read these explanations before investing any money. You may ask us any questions you have about fees and expenses.

While you may purchase shares of mutual funds directly from the mutual fund company without a transaction fee, those investments would not be part of our advisory relationship with you. This means that they would not be included in our investment strategies, investment performance monitoring, or portfolio reallocations.

No advisory fees are charged on any mutual funds or unit investment trusts

transferred into your account which were purchased within the preceding two years if a commission was paid to your advisory representative as a representative of a broker-dealer.

Since our Advisory Representatives are also registered representatives of FSC Securities Corporation (“FSC”), the broker/dealer has certain supervisory and administrative duties that it is obligated to perform. As such, all advisory fees are paid to FSC as paying agent for us. We will retain a portion of the advisory fee to cover the cost of such supervisory responsibilities. The custodian of the account holds all customer assets. We do not hold customer funds or securities.

4D Advisory representatives may recommend our wrap program to you and, as a result of your participation in this program, will receive a portion of the fee charged by us. These payments may be made as long as you participate in the program and may be greater than other forms of compensation had you paid separately for investment advice, brokerage and other services provided to you as part of a wrap fee program. As a result, our advisory representatives may have a financial incentive to recommend this program over other programs or services that may be available to you.

Account Requirements and Types of Clients

5As a condition for starting and maintaining an advisory relationship, we

generally require a minimum portfolio size of \$25,000. We, at our sole discretion, may accept clients with smaller portfolios based upon certain factors including:

- anticipated future earning capacity,
- anticipated future additional assets,
- account composition,
- related accounts, and
- pre-existing client relationships.

We may consider the portfolios of your family members to determine if your portfolio meets the minimum size requirement.

We provide advisory services primarily to high net worth individuals, including their trusts, estates and retirement accounts. We also provide services to corporations or business entities including their pension and profit sharing plans.

Portfolio Manager Selection and Evaluation

Advisory Business

Asset Management through The Legacy Account Program

We will gather information on your financial history, goals, objectives, and financial concerns and assist you in developing an asset allocation strategy. You will establish an account and deposit cash, cash equivalents and securities with the custodian that you select. Accounts will be managed based on your individual

needs. We may recommend one or more model managed portfolios of which it directly manages. We will manage these model accounts on a continuous basis. You are advised that your account may be similar to multiple other clients selecting the same model portfolio. We will provide assistance in selecting a model(s) suitable to your investment strategy. In addition, we may recommend individual investments outside of the model portfolios.

We may act as a sub-adviser for other advisers with clients wishing to invest in this program.

Third Party Money Managers

We may recommend that you engage certain Third Party Asset Managers ("TPAM") to manage all or a portion of their assets. We will provide individualized advisory services to you through the selection of a suitable TPAM. Factors considered in the selection of a TPAM include but may not be limited to:

- the management style, performance, reputation, pricing and reporting capabilities of the TPAM;
- your risk tolerance, goals and objectives, as well as investment experience; and
- the amount of your assets available for investment.

In order to assist you in the selection of a TPAM, we will typically gather information from you about your

financial situation and investment objectives.

A complete description of the programs and services provided, the amount of total fees, the payment structure, termination provisions and other aspects of each program are detailed and disclosed in:

- the TPAM's Brochure;
- the program wrap brochure (if applicable) or other applicable disclosure documents;
- the disclosure documents of the portfolio manager or managers selected; or
- the TPAM's account opening documents.

A copy of all relevant disclosure documents of the TPAM and of the individual portfolio manager(s) will be provided to anyone interested in these programs/managers.

Managed Assets Program

We offer the Managed Assets Program ("MAP") to suitable clients who seek advice regarding the development of investment strategies and the selection and monitoring of independent money managers ("Managers") and/or mutual funds ("Funds"), together with brokerage and custodial services, for a single annual asset based advisory fee. We provide MAP through an agreement with FSC, the sponsor of MAP. A copy of Schedule H Brochure of FSC will be delivered to you in connection with the recommendation

of MAP. The services available to clients who select MAP are described in detail in the Schedule H Brochure.

Clients in MAP enter into an agreement with us. We have a sub-adviser agreement with FSC. FSC has a separate master agreement with each Manager in MAP. FSC also has a clearing and service agreement with Pershing, LLC ("Pershing"), who serves as broker-dealer for securities transactions directed by Managers and custodian for assets invested by clients in MAP. We, nor FSC, exercise investment discretion over assets allocated to Managers; rather, each Manager acts as discretionary adviser for the assets assigned to that Manager by clients in MAP. We may execute non-discretionary reallocation transactions for assets allocated to Funds. You direct FSC, as broker-dealer, to effect transactions for program assets that you designate to be invested in Funds.

We will utilize the research services provided through MAP to assist you in selection of one or more Managers from among those Managers who have been approved and signed agreements with FSC. You will receive information concerning each recommended Manager and will have the opportunity to approve the selections. You will also receive an Investment Policy Statement identifying all Managers selected to manage your investment portfolio and the amount of fees payable to each Manager and FSC.

You should notify us promptly if there are any changes in your financial

situation or investment objectives or if you wish to impose any reasonable restrictions upon the management of your account.

Performance-Based Fees

Performance-based fees are designed to give a portion of the returns of an investment to the investment adviser as a reward for positive performance. The fee is generally a percentage of the profits made on the investments.

We do not charge performance-based fees on any of our client accounts.

Methods of Analysis, Investment Strategies and Risk of Loss

We select specific investments for your portfolios through the use of fundamental and technical analysis.

Fundamental analysis is a method of evaluating a company that has issued a security by attempting to measure the value of its underlying assets. It entails studying overall economic and industry conditions as well as the financial condition and the quality of the company's management. Earnings, expenses, assets, and liabilities are all important in determining the value of a company. The value is then compared to the current price of the issuing company's security to determine whether to purchase, sell or hold the security.

Technical analysis is a method of evaluating securities by analyzing statistics generated by market activity,

such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity.

Although we manage your portfolio in a manner consistent with your risk tolerances, there can be no guarantee that our efforts will be successful. You should be prepared to bear the risk of loss.

Our investment strategies may include long-term and short-term purchases and sales, as well as, the use of options and margin. You may place reasonable restrictions on the strategies to be employed in your portfolio and the types of investments to be held in your portfolio.

All investments involve risks that can result in loss:

- loss of principal,
- a reduction in earnings (including interest, dividends and other distributions), and
- the loss of future earnings.

Additionally, these risks may include:

- market risk,
- interest rate risk,
- issuer risk, and
- general economic risk.

Although we manage your portfolio in a manner consistent with your risk tolerances, we cannot guarantee that our

efforts will be successful. You should be prepared to bear the risk of loss.

You must also be aware that the use of margin, options and short sales are higher risk strategies. It is possible to lose all of the principal you invest, and sometimes more. In a cash account, your risk is limited to the amount of money that you have invested. In a margin account, your risk includes the amount of money invested plus the amount that has been loaned to you. When you short sell, your losses can be infinite.

Voting Client Securities

We do not take any action or give any advice with respect to voting of proxies solicited by or with respect to the issuers of securities in which your accounts may be invested. In addition, we do not take any action or give any advice with respect to any securities held in any accounts that are named in or subject to class action lawsuits. We will, however, forward to you any information received by us regarding proxies and class action legal matters involving any securities held in your accounts.

Client Information Provided to Portfolio Managers

7 We work with you to identify your investment goals and objectives as well as risk tolerance in order to create an initial portfolio allocation designed to complement your financial situation and personal circumstances. We obtain this

information from you initially, annually, and as you inform us of any changes.

Client Contact with Portfolio Managers

8 You have ready access to your advisory representative/portfolio manager. Advisory representatives /portfolio managers are not required to be available for unscheduled or unannounced visits or calls by clients. However, advisory representatives /portfolio managers are expected to periodically meet with clients and should generally be available to take client telephone calls on advisory-related matters.

Additional Information

9A Disciplinary Information

We have not been the subject of any legal or disciplinary events that would be material to your evaluation of our business or the integrity of our management.

9A Other Financial Industry Activities and Affiliations

Our advisory representatives are also registered representatives of FSC, a registered broker/dealer, member FINRA/SIPC, and registered investment adviser. If you choose to implement your financial plan through FSC, commissions may be earned by your financial advisor in addition to any fees paid for advisory services. In addition,

the financial advisor may be entitled to a portion of the internal expense fees (such as 12b-1 fees) charged by mutual funds.

Our advisory representatives are also licensed with various insurance companies. Commissions may be earned by our financial advisors if insurance products are purchased through these insurance companies.

We may receive benefits such as assistance with conferences and educational meetings from product sponsors.

Our advisory representatives may also recommend various asset management firms. If you establish an investment advisory relationship with one of these firms, our financial advisors may share in the advisory fees you pay to these asset management firms.

The above arrangements present a conflict of interest because they create an incentive to make recommendations based upon the amount of compensation we receive rather than based upon your needs. We will explain the specific costs associated with any recommended investments with you upon request. We also recommend no-load and load-waived mutual funds to further reduce conflicts of interest. Additionally, you have the option to purchase investment and insurance products through other brokers or agents who are not affiliated with us.

9B Code of Ethics; Participation or Interest

in Client Transactions and Personal Trading

We have adopted a *Code of Ethics* (“*Code*”) to address the securities-related conduct of our advisory representatives and employees. The *Code* includes our policies and procedures developed to protect your interests in relation to the following:

- the duty at all times to place your interests ahead of ours;
- that all personal securities transactions of our advisory representatives and employees be conducted in a manner consistent with the *Code* and avoid any actual or potential conflict of interest, or any abuse of an advisory representative’s or employee’s position of trust and responsibility;
- that advisory representatives may not take inappropriate advantage of their positions;
- that information concerning the identity of your security holdings and financial circumstances are confidential; and
- that independence in the investment decision-making process is paramount.

We will provide a copy of the *Code* to you or any prospective client upon request.

We do not buy or sell securities for our firm that we also recommend to clients. Our advisory representatives and employees are permitted to buy or sell

the same securities for their personal and family accounts that are bought or sold for your account(s). The personal securities transactions by advisory representatives and employees may raise potential conflicts of interest when they trade in a security that is:

- owned by you or
- considered for purchase or sale for you.

We have adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures:

- require our advisory representatives and employees to act in your best interest,
- prohibit favoring one client over another, and
- provide for the review of transactions to discover and correct any same-day trades that result in an advisory representative or employee receiving a better price than a client.

Advisory representatives and employees must follow our procedures when purchasing or selling the same securities purchased or sold for you.

9B Review of Accounts

The Legacy Account Program client assets and the Managed Assets Program client assets will be reviewed on an ongoing basis. Individual accounts are analyzed on at least a quarterly basis.

Advisory accounts participating in a third-party money management program are reviewed on a quarterly basis.

We will conduct client meetings at least annually. These reviews include an assessment of the program and the independent money managers utilized within the programs.

More frequent reviews may be triggered by such variables as market and economic conditions, political circumstances and your individual needs and goals.

All reviews will be performed by the investment advisory representative responsible for the individual account.

You will receive statements from the custodian/broker-dealer at least quarterly. These statements identify your current investment holdings, the cost of each of those investments, and their current market values.

9BClient Referrals and Other Compensation

We have entered into various written compensation agreements with certain unaffiliated parties, referred to as a Solicitation Agreement. We pay these parties a percentage of the fee paid by referred clients. These payments are a portion of the fee charged by us and do not result in an increase in the amount of the fee paid by clients. Any solicitation or referral arrangements will comply with applicable laws that govern:

- the nature of the service,
- fees to be paid,
- disclosures to clients and
- any necessary client consents.

We may recommend that the broker-dealer/custodian for your account be FSC and its clearing broker Pershing, LLC (Collectively, “FSC/Pershing”). FSC/Pershing will assist us in servicing your accounts. We are independently owned and operated and not affiliated with FSC/Pershing. Our use of FSC/Pershing is, however, a beneficial business arrangement for us and for FSC/Pershing. Information regarding the benefits of this relationship is described below:

FSC/Pershing provides us with access to its institutional trading and custody services, which includes:

- 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.

FSC/Pershing also makes available to us other products and services that benefit us but may not benefit you directly. Some of these products and services assist us in managing and administering our client accounts, such as software and other technology that:

- provide access to account data such as:
 - duplicate trade confirmations,
 - bundled duplicate account statements, and
 - access to an electronic communication network for client order entry and account information;
- facilitate trade execution, including:
 - access to a trading desk serving advisory participants exclusively and
 - access to block trading which provides the ability to combine securities transactions and then allocate the appropriate number of shares to each individual account;
- provide research, pricing information and other market data;
- facilitate payment of our fees from client accounts; and

- assist with back-office functions, record keeping and client reporting; and
- receipt of compliance publications.

Additionally, FSC/Pershing makes available to us other services intended to help us manage and further develop our business. These services may include:

- consulting,
- publications and conferences on practice management,
- information technology,
- business succession,
- regulatory compliance, and
- marketing.

FSC/Pershing may also make available or arrange for these types of services to be provided to us by independent third parties. FSC/Pershing may discount or waive the fees it would otherwise charge for some of the services it makes available to us. It may also pay all or a part of the fees of a third party providing these services to us. Thus, we receive economic benefits as a result of our relationship with Fidelity, because we do not have to produce or purchase the products and services listed above.

Because the amount of our compensation or the products or services we receive may vary depending on the custodian/broker-dealer we recommend to be used by our clients, we may have a conflict of interest in making that recommendation. Our recommendation of specific custodian/broker-dealers may be based in part on the economic benefit

to us and not solely on the nature, cost or quality of custody and brokerage services provided to you and our other clients. We nonetheless strive to act in your best interests at all times.

Commissions and other fees for transactions executed through FSC/Pershing may be higher than commissions and other fees available if you use another custodian/broker-dealer firm to execute transactions and maintain custody of your account. We believe, however, that the overall level of services and support provided to our clients by FSC/Pershing outweighs the benefit of possibly lower transactions cost which may be available under other brokerage arrangements.

Many of the services described above may be used to benefit all or a substantial number of our accounts, including accounts not maintained at through FSC/Pershing. We do not attempt to allocate these benefits to specific clients.

9B Financial Information

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to you and we have not been the subject of a bankruptcy proceeding.

