

Part 2A of Form ADV: Firm Brochure

Item 1 Cover Page

FORM ADV Part 2-A—Money Managers, Inc

Cover Page--This Firm Brochure is effective June 1, 2012

Money Managers, Inc., 7800 West Interstate 10, Lincoln Center, Suite 636, San Antonio, Texas 78230
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This brochure provides information about the qualifications and business practices of Money Managers, Inc. "MMI". If you have any questions about the contents of this brochure, please contact the firm's Chief Compliance Officer, Teresa Jensen White at "mail@moneymanagersinctx.com" or by calling 210-349-9494.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Registration with the SEC or any state security authority does not imply a certain level of skill or training.

Additional information about Money Managers, Inc. is available on the SEC's website at www.adviserinfo.sec.gov or FINRA's website at www.finra.org.

Money Managers, Inc ("MMI") is a corporation domiciled in Texas.

MMI is currently an investment adviser registered with the Securities and Exchange Commission ("SEC") and "Notice Filed" with the State of Texas.

MMI may be required to withdraw from registration with the SEC and register with the State of Texas on June 28, 2012.

This brochure informs Clients of the adviser's services, business practices, fees and the qualifications of associates. This brochure must be provided to Clients either before or at the time of entering into an advisory agreement.

Individuals associated with the firm provide MMI's advisory services. These individuals are appropriately licensed, qualified or authorized to provide advisory services on behalf of the firm and are referred to in this document as Investment Adviser Representatives or "IARs". Depending on the Individual's education, training and relevant licenses, they may be referred to as Financial Planners, Consultants, Advisers or Wealth Managers in other company materials.

Item 2 Material Changes

Item 2--Material Changes from 03-30-2012 to 06-01-2012—

MMI filed its last amendment on 04-28-2012. No disciplinary events have occurred.

A material change exists because MMI is launching a new in house money management platform called **NorthSTAR Tactical Allocation and Repositioning (N*STAR)**.

Please see Item **4, 5** for details on platform structure, compensation, fees and expenses and refer to MMI's *"Form ADV 2-A-Appendix 1--Wrap Fee Brochure"* for details and specifics.

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Item 4--MMI's Advisory Business:

Money Managers was founded in January of 1981 and incorporated as Money Managers, Inc. (MMI), in May of 1981, in the State of Texas. Teresa Jensen White, CFP®, owns 100% of the stock in MMI. MMI provides investment management and supervisory services, personal or business financial planning/consulting services consistent with the Client's financial and tax status and risk/reward objectives. Those issues are typically discussed with Clients in defining the strategies and objectives that will guide planning strategies and investment decisions for their accounts. Based upon those discussions with Clients, IARs attempt to identify and balance risks and rewards that are appropriate and suitable for the Client. Financial Planning/Consulting advice may be oral or written. The MMI IAR may also need to work closely with the Clients' accountant, attorney, and/or other professionals outside the firm, according to the needs of each Client. These outside professionals may be compensated directly by the Client, or compensated by MMI out of the fee collected by MMI. Disclosure is provided to the Client on these arrangements.

Clients are encouraged to ask questions, read prospectuses, review applicable research prior to investing and are informed that all investments involve risk, that reaching for higher rates of return on investments entails accepting higher levels of risk. Clients are told that investments may not be profitable, that losses may occur and that investment performance can never be guaranteed. Past performance is not an indicator of future performance and investments may have tax or legal consequences. Clients may impose restrictions on investing in certain types of securities if they choose. It is the Clients responsibility to ask questions if (s)he does not fully understand an investment or a strategy.

The IAR will gather relevant financial information and data, perform analysis and use planning tools as necessary. Client goals and objectives are discussed and prioritized, the investment and allocation plan designed, and portfolio performance is monitored, adjusting as needed. Each IAR chooses his/her own research methods, tools, and resources from professional sources.

Some of MMI's IARs (and sometimes their own firms) are independent contractors and may have business interests and practices such as financial planning, estate planning, tax planning and/or preparation, retirement planning, accounting, personal and business consulting and analysis, employee benefit planning. Some are licensed insurance agents and offer insurance sales and service, and consulting. Some employees/associates of MMI may perform similar functions and hold appropriate licenses for those activities. MMI's IARs may serve as advisers to Trustees and Co-Trustees, Executors, Persons acting under a Power of Attorney, Heirs; and Directors of Trusts, Estates, and Charitable Organizations. Such persons may hire and fire advisers, negotiate contracts with advisers, elect the distribution of principal and/or income and exercise other powers as described in the governing document for the benefit of beneficiaries. MMI's IARs may from time to time, contract to provide financial planning, financial consulting, and investment services to the Clients (or members) of clubs, associations, foundations, or other entities, on a group basis for a fixed fee, at Client's (or member's) choice. MMI may receive fees for services either from the group sponsor or the individual Client, based upon negotiations with each group. MMI's IARs may provide Pension consulting, Educational seminars/workshops, and assist the Client in the selection of Third Party Money Managers or market timing services.

MMI is compensated by fees based upon assets under management and/or fixed fees, and IARs receive commissions. Fees for our various kinds of services are described in "Item 5—Fees and Compensation". A conflict of interest exists in preparing the plan or rendering investment advice to the extent that the purchase or sale of securities or insurance products is recommended, and commission based compensation may be received by the IAR in addition to fees. Written disclosure is provided to Clients on commission based purchases. Transactions that will result in commission based compensation are via the sale of stocks, bonds, mutual fund Class A, B, or C shares, either with each new purchase or over some period of years in certain types of accounts. Registered Representatives of NEXT may receive a portion of some Rule 12b-1 fees paid to NEXT from certain mutual funds recommended to advisory clients. NEXT may retain these fees, according to their firm policy after July 2012. Some non-traded Real Estate Investment Trusts (REITs), limited partnerships (LPs) and variable annuities (VAs), as well as Variable Universal Life (VULs) insurance may be available only on a commission basis.

As an investment adviser, MMI has a fiduciary duty to its clients, which requires fair dealing and objective advice. As an adviser, MMI must have a belief that a transaction is in the Client's interest. Clients may impose restrictions on investments and consent to changes before transactions occur. MMI does not have custody of assets in these relationships.

ASSETS UNDER MANAGEMENT: As of March 27, 2012, MMI manages some \$76,726,667. for 304 Clients on a Non-discretionary basis.

PERSONAL FINANCIAL PLANNING AND ANALYSIS SERVICES

MMI's qualified and approved Investment Adviser Representatives (IARs) may offer financial planning services. Clients may choose from a menu of services listed below. Clients may choose to receive a comprehensive financial plan or certain modules of planning charged at a negotiable fixed fee. Additional specific financial planning issues are also offered typically on a periodic basis, however, depending upon the complexity and type of issue to be contracted for, may be offered at a negotiable fixed additional fee. The MMI Financial Planning/Consulting/Wealth Management Agreement (WMA) sets out the services and fees applicable to each Client's situation. MMI's WMAs may be terminated with 30-calendar day's written notice delivered by either party. A Client may terminate an MMI WMA within five business days of signing the WMA and owe no fee. Such notice shall be in writing and postmarked within five business days of signing the WMA. After the first five business days and before the 30 day calendar period ends, the Client may terminate the WMA and will owe MMI for the time spent up to the point of termination, pro-rated as applicable.

Financial planning services that may be offered include:

Personal Financial Planning modules--

- * Net Worth Analysis
- * Cash Flow Analysis
- * Disability Income Analysis
- * Education Analysis
- * Financial Independence Analysis
- * Long Term Care Analysis
- * Income Tax Analysis
- * Investment Analysis
- * Survivors/Insurance Needs Analysis
- * Estate Analysis

Each Client will be required to select some or all of these items on an a la carte basis, which will then result in either or both of 1) a written personal financial plan; 2) and/or a topic specific analysis and recommendations. In order to provide the service, the Client may be required to provide information to MMI in the form of assets and liabilities, income and expenses, income tax returns, estate planning documents, securities portfolio statements, insurance policies and any other information or documents that would be relevant to the contracted service. Advice and recommendations may be oral or written. Financial plans cannot be completed until the Client provides all required information and documentation. Any initial written financial plan and or analysis will not take more than six months to complete.

PERSONAL FINANCIAL CONSULTING AND ANALYSIS SERVICES

Qualified and approved Investment Adviser Representatives of MMI may offer personal financial consulting and analysis services. Clients may choose from a menu of services. Additional specific financial consulting issues are also offered typically on a periodic basis, however, depending upon the complexity and type of issue to be contracted for, may be offered at a negotiable fixed additional fee. Financial Consulting services that may be offered by qualified and approved MMI IARs include:

Personal Financial Consulting modules—

- * Net Worth Tracking
- * Income/Expense Management
- * Disability Income Consulting
- * Charitable Giving Consulting
- * Education Accumulation
- * Retirement Consulting
- * Long Term Care Consulting
- * Income Tax Consulting
- * Investment Management
- * Survivors/Insurance Needs Monitoring
- * Senior Care Consulting
- * Estate Planning Consulting

Each Client will be required to select some or all of these items on an a la carte basis, which will then result in specific analysis and recommendations. In order to provide the service, the Client may be required to provide information to MMI in the form of assets and liabilities, income tax returns, estate planning documents, income and expenses, securities portfolio statements, insurance policies and any other information or documents that would be relevant to the contracted service. Advice and recommendations may be verbal or written, and includes continuous and regular supervision of the client's financial matters.

BUSINESS FINANCIAL CONSULTING AND ANALYSIS SERVICES

Qualified and approved Investment Adviser Representatives of MMI may offer business financial consulting and analysis services. Clients may choose from a menu of services. Additional specific financial consulting issues are also offered typically on a periodic basis, however, depending upon the complexity and type of issue to be contracted for, may be offered at a negotiable fixed fee.

Services that may be offered by qualified and approved MMI IARs include:

Business Financial Consulting modules—

- * Asset/Liability Analysis
- * Employee Benefit Plan Analysis
- * Succession Planning Analysis
- * Banking/Finance/Operations Analysis
- * Income/Expense Analysis
- * Personnel Analysis
- * Marketing Plan Analysis
- * Production/Processes Analysis
- * Tax Consulting
- * Risk Management Analysis

Each Client will be required to select some or all of these items on an a la carte basis, which will then result in specific analysis and recommendations. In order to provide the service, the Client may be required to provide information to MMI in the form of business formation documents, assets and liabilities, bank statements, income and expenses, income tax returns, estate planning updates, securities portfolio statements, insurance policies, employee census and benefit plans, and any other information or documents that would be relevant to the contracted service. Advice and recommendations may be verbal or written.

WEALTH MANAGEMENT OPTIONS

Generally, securities that may be included are exchange listed, or over the counter, domestic or foreign securities (stocks); corporate or municipal debt or government securities (bonds); commercial paper, certificates of deposit and other cash instruments; no load or load-waived mutual funds, (load funds may be subject to a fee offset period), unit investment trusts (UITs), Options, Exchange Traded funds (ETFs), non-traded Real Estate Investment Trusts (REITs), limited partnerships (LPs). Variable annuities (VAs) and/or Variable life insurance (VUL) sub-accounts may be managed as well, for specific Clients and may be bought or transferred into certain accounts. Refer to specific account types for limitations on asset classes as named in the account opening documents.

CLIENTS MAY CHOOSE ONE OR MORE OPTIONS AS DESCRIBED BELOW:

PLATINUM LEVEL ASSET MANAGEMENT: Fee based accounts that may include Financial Planning, and/or Personal/ Business Financial Consulting and Analysis.

NEXT ADVISOR'S ACCOUNT II (NAA II) -

All accounts require identity verification procedures, including OFAC reports.

Description of Services-

When using this platform, Advisors are acting in the capacity of IARs for NEXT Financial Group, a Registered Investment Advisor. The NAA II Account has been jointly developed by NEXT and Pershing. Under this program, NEXT IARs offer ongoing "Full Trading Discretionary" investment management, and asset allocation.

Full Trading Discretion means the client has given the NEXT IAR written authority to purchase and sell mutual funds, equities, fixed income securities and selected options, or other investments, within the investment account. The NEXT IAR is not authorized to withdraw or transfer any money, securities, or property either in the name of the Client or otherwise, without Client's specific written consent. The IAR will gather information from the Client including current investments, and current financial condition, rate of return objectives and risk tolerance. The IAR will then recommend investments to construct a portfolio suited to meet the Client's identified goals, financial needs and investment objectives in light of general economic and market conditions. Financial Planning, and/or Personal/Business Financial Consulting, and Analysis services are provided through IARs of MMI.

Reports to Clients-

Quarterly, NEXT/Pershing will provide a report on the value of the assets, asset allocation, performance of the portfolio, and fees deducted from the account. The NEXT IAR will review and monitor the account activity at least quarterly.

Consultations will be offered at least quarterly and held at the client's request. Transactions are reported to Clients as they occur.

Account Minimums-

This program has no account minimum.

GOLD LEVEL ASSET MANAGEMENT: Fee based accounts that do not include Financial Planning, and/or

Personal/Business Financial Consulting and Analysis

NEXT ADVISOR'S ACCOUNT (NAA) -

All accounts require identity verification procedures, including OFAC reports.

Description of Services-

When using this platform, Advisors are acting in the capacity of IARs for NEXT Financial Group, a Registered Investment Advisor. The NAA Account has been jointly developed by NEXT and Pershing. Under this program, NEXT IARs offer ongoing "Full Trading Discretionary", or "Non-discretionary", investment management at the Client's choice, and asset allocation.

Full Trading Discretion means the client has given the NEXT IAR written authority to purchase and sell mutual funds, equities, fixed income securities and selected options, or other investments, within the investment account. The NEXT IAR is not authorized to withdraw or transfer any money, securities, or property either in the name of Client or otherwise, without Client's specific written consent.

Non discretionary means recommendations are made to the Client by letter or telephone and action is taken only after the Client's approval.

The NEXT IAR will gather information from the Client including current investments, and current financial condition, and obligations. The NEXT IAR will then recommend investments to construct a portfolio suited to meet the Client's identified goals, financial needs and investment objectives in light of general economic and market conditions.

Reports to Clients-

Quarterly, NEXT/Pershing will provide a report on the value of the assets, asset allocation, performance of the portfolio, and fees deducted from the account. The NEXT IAR will review and monitor the account activity at least quarterly.

Consultations will be held at the client's request, and offered at least quarterly. Transactions are reported to Clients as they occur.

Account Minimums-

This program has no account minimum.

SILVER LEVEL ASSET MANAGEMENT: Fee based accounts—

This level does not include any financial planning or consulting.

This level utilizes THIRD PARTY MANAGERS/ADVISERS.

All accounts require identity verification procedures, including OFAC reports.

Description of Services-

The IAR may only recommend Third Party managers that are on NEXT's approved list. The IAR typically gathers information from the Client about the Client's financial situation, investment objectives and any reasonable restrictions the Client wants to impose on the management of the account.

MMI and its IARs may refer Clients to independent, third party investment managers/advisers. The IAR and the Client review the list of portfolio managers and evaluate these and other independent investment advisers and selects certain of these advisers to participate as portfolio managers for the Client's account(s).

These Third party investment advisers manage the Clients account in accordance with the disclosures set forth in the Third party manager's account opening documents. The Third party manager may assume discretionary authority over the Client's account. MMI and its IARs will not manage, or obtain discretionary authority over the assets in the accounts participating in these programs. Third party manager may act as broker/dealer in connection with the program and may receive additional compensation.

The IAR periodically reviews the reports provided by the managers. Clients receive an account statement at least quarterly, which includes the amount of any fees paid directly to the Third party manager. MMI's IAR *will share in the fee* charged by the Third party manager.

Quarterly meetings are offered to Clients to review and discuss the quarterly report(s) on the value and asset allocation of the portfolio; to review the Client's risk/reward objectives and financial situation; and assist the Client in understanding and evaluating the reports and services provided by the Third party manager(s). Other consultations will be held at the request of the client. The IAR may communicate information to the Third party manager(s) if necessary, or recommend a change of Third party manager(s) when such is warranted.

Many Third Party managers will make an offer to provide a copy of their annual amendment of their Investment Advisory Services Brochure, or Form ADV Part 2A at least once per year on their statements to clients.

Eligible Assets-Defined in the respective account offering/opening documents.

Account Minimums-

The minimum investment required in Third party manager accounts varies from manager to manager and by type of account.

BRONZE LEVEL SERVICES:

This level does not include any financial planning or consulting or asset management.

Bronze Level – This is a Commission based Brokerage account:

All accounts require identity verification procedures, including OFAC reports.

This program has no minimum.

NORTHSTAR TACTICAL ALLOCATION and REPOSITIONING (N*STAR)

N*STAR is an In House Wrap Fee Money Management platform utilizing Proprietary Fundamental and Technical analysis and Momentum based tracking. This is a Tactical, Active Portfolio Management process. Currently there are two models to choose from: a Growth model, and an Income model. The brokerage platform and custodian for such accounts is Foliofn Investments, Inc, Institutional Division.

The client will receive MMI's *Form ADV 2-A Firm Brochure* and *2-B Brochure Supplement(s)*, and *WRAP Fee Brochure*, as applicable, including annual or periodic updates.

Full details on services, fees and compensation, brokerage practices, and other important issues are provided in the *Wrap Fee Brochure*.

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Item 5—Fees and Compensation:

The MMI Financial Planning/Consulting/Wealth Management Agreement (“WMA”) sets out the services and fees available to each Client. Services will be discussed and agreed upon between the Client and the IAR and will be specifically identified in the MMI WMA. WMAs must be renewed annually.

The WMA may be terminated within five business days of signing the agreement by either party and owe no fee. Such notice shall be in writing and postmarked within that period. After the first five business days, and before the 30 calendar day period ends, the Client may terminate the agreement by notifying the IAR in writing, postmarked within 30 calendar days of signing the agreement. A pro-rated fee may be owed if work has commenced before the termination notice and would be negotiated between MMI and the Client based upon services performed. All financial planning/consulting planning fees over \$10,000 per year need to be pre-approved by NEXT's Advisory Services Department.

WMA agreements must be renewed annually, and may be terminated with 30-calendar day's written notice delivered by either party. Such notice shall be in writing and postmarked within five business days of signing the agreement.

Initial Fixed Fees for Financial Planning

Initial Fixed Fees for initial financial planning will be determined on a fixed fee basis and will be based upon the complexity of the Client's situation. Initial fees from \$1.-\$25,000. for financial planning will be negotiated and agreed upon between the Client and the IAR, and will be specifically identified in the MMI Financial Planning/Consulting/Wealth Management Agreement. Initial plans do not include ongoing financial planning/consulting, except as may be detailed in the WMA.

Half of the initial fixed fee, or \$500, whichever is less, for a written financial plan may be payable in advance and the balance paid in arrears, in quarterly installments, or upon completion of the services and delivery of the plan, as detailed in the respective WMA. In these instances, should the Client choose not to implement the financial/investment advice given through MMI, the fixed fee will be subject to discussion, re-negotiation, and consent by the Client as to how much is fair and reasonable for services provided. Once agreed upon, the balance is due and payable at the completion of the work done. The

Ongoing Fixed Fees for Financial Consulting

Ongoing Fixed fees may be used when an IAR is providing a financial planning/consulting service that requires ongoing work. For comprehensive planning, fixed fees typically can range from \$1. to \$25,000. per year. Fixed fees may be separate from, or in addition to an asset management fee.

The WMA agreement will include terms as to payment of fixed fees, which may be paid by either of a deduction from the Client's investment account via a written “Fee Deduction Authorization”; or, a check directly to the firm on a quarterly, annual, or periodic basis, as work is performed, in arrears of services.

Ongoing Asset Management Fees

Fees for personal financial consulting and analysis may be incorporated into the Assets Under Management (“AUM”) fee, at an additional .25% annually, as detailed in the Client's Wealth Management Agreement, and are billed quarterly in advance as part of the AUM fee. The first quarter's fee is a prorated fee. Fees will be deducted from the Client's investment account via a written “Fee Deduction Authorization”.

Certain mutual funds pay a periodic fee (i.e.; “Rule 12b-1 fee”) to the broker-dealer of record on the account. These asset based sales charges or service fees from the sale of mutual funds present a conflict of interest and incentive to recommend these funds based upon the compensation received rather than on a client's needs. Registered Representatives of NEXT may receive a portion of some Rule 12b-1 fees paid to NEXT from certain mutual funds recommended to advisory clients. NEXT may retain these fees, according to their firm policy after July 2012.

Ongoing Fees for Business Consulting

Fees for business financial consulting an analysis will be 1.00% of gross annual income, based on previous year's income, or a negotiated fixed fee, unless otherwise specified in the agreement. Some fees are customized to meet specific Client requests. Fees are billed quarterly in arrears. The first quarter's fee is a retainer equal to one quarter's fee and is nonrefundable unless the WMA is cancelled within the first five days.

After the first five business days and before the 30 calendar day period ends, the Client may terminate the agreement by notifying the IAR in writing postmarked within 30 calendar days of signing the WMA.

COMPENSATION FOR PLATINUM LEVEL SERVICES:

Asset Management Fees are based on the market value of the assets and are billed quarterly, in advance. The fee for new accounts for the first quarter will be pro-rated. The fee for subsequent quarters will be based upon the market value of the investments as of the end of the preceding quarter. For assets added to the portfolio in excess of \$10,000 the standard fee shall be assessed, pro-rated for the remaining portion of the quarter based on the number of days left in the quarter. For withdrawals from the account in excess of \$10,000 the unearned fees on these amounts will be refunded or credited to the account on a pro-rated basis for the remaining portion of the quarter based on the number of days left in the quarter. Upon termination of an account during a calendar quarter, pre-paid, unearned fees are pro-rated and promptly returned to the client based on the number of days left in the calendar quarter from the effective date of termination.

Asset Management Fees are negotiable, but are generally a maximum of 3.00% annually.

The client will receive NEXT's Form ADV 2-A Firm Brochure and 2-B Brochure Supplement(s), and WRAP Fee Brochure, as applicable, including annual or periodic updates.

PLATINUM LEVEL ASSET MANAGEMENT RATES:

The scheduled rates are:

NEXT/IAR

Market Value of Assets Annual Advisory Fee

\$ 0 - 100,000	2.25%
\$ 100,001 - 500,000	2.00%
\$ 500,001 - 1,000,000	1.75%-1.50%
Over \$1,000,001	1.25%-Negotiable

Other Charges and Expenses-

NAA II Administrative Fee: In addition to the advisory and service fee discussed above, each NAA II account will incur an annual administrative fee of \$150, which will be paid by the NEXT IAR, as stated in the account opening documents.

NAA II Transaction Costs: Each security transaction under NAA II will incur a transaction fee. The transaction costs are paid by the NEXT IAR.

Payment of NAA II Fees: All NAA II advisory service fees will be directly debited from the Client account held at Pershing by the Custodian. A Client may withdraw their authorization (contained in the program advisory agreement) for direct debiting at any time. A Client should understand that if they elect to withdraw this authorization, NEXT will terminate the agreement under the program. The Client may terminate a NAA II agreement within five business days after the date when all parties have signed the agreement without penalty. After this five-day period, either party may terminate the agreement upon 30 days written notice to the other.

Other Expenses-

The Client may be charged fees by the Custodian for Cost Basis tracking on investments in the account(s), depending on the dollar amount of the assets, custodial fees, account closing fees, etc., as detailed in the account opening documents.

Custodian-

The Client will be required to open and maintain an account at NEXT, held by Pershing, LLC, NEXT's custodian and clearing firm.

Eligible Assets-

All eligible securities such as exchange listed, or over the counter, domestic or foreign securities (stocks); corporate or municipal debt or government securities (bonds); commercial paper, certificates of deposit and other cash instruments; no load or load-waived mutual funds, (load funds may be subject to an offset period), unit investment trusts, non-traded Real Estate Investment Trusts, limited partnerships and variable annuities can be bought or transferred into the account.

Ineligible securities include options and Class B, C or D mutual fund shares. The NEXT IAR is prohibited from purchasing or transferring in a mutual fund with a "Rule 12b-1 fee" greater than 25 basis points (.25%). All transactions for this portfolio will be placed by the IAR at NEXT.

Clients may limit or restrict types of investments on the account opening documents.

COMPENSATION FOR GOLD LEVEL SERVICES:

Asset Management Fees are based on the market value of the assets and are billed quarterly, in advance. The fee for new accounts for the first quarter will be pro-rated. The fee for subsequent quarters will be based upon the market value of the investments as of the end of the preceding quarter. For assets added to the portfolio in excess of \$10,000 the standard fee shall be assessed on a pro-rated basis for the remaining portion of the quarter based on the number of days left in the quarter. For withdrawals from the account in excess of \$10,000, unearned fees on these amounts will be refunded or credited to the account on a pro-rated basis for the remaining portion of the quarter based on the number of days left in the quarter.

Upon termination of an account during a calendar quarter, pre-paid, unearned fees are pro-rated and promptly returned to the client based on the number of days left in the calendar quarter from the effective date of terminations.

The client will receive NEXT's Form ADV 2-A Firm Brochure and 2-B Brochure Supplement(s), and WRAP Fee Brochure, as applicable, including annual or periodic updates.

GOLD LEVEL ASSET MANAGEMENT RATES:

The scheduled rates are:

NEXT/IAR

Market Value of Assets Annual Advisory Fee

\$ 0 - 100,000	2.25%
\$ 100,001 - 500,000	2.00%
\$ 500,001 - 1,000,000	1.75%-1.50%
Over \$1,000,001	1.25%-Negotiable

Other Charges and Expenses-

NAA Administrative Fee: In addition to the advisory fee discussed above, each NAA II account will incur an annual administrative fee of \$150, which will be paid by the NEXT IAR, as stated in the account opening documents.

NAA Transaction Costs: The Client will pay transaction charges, when applicable, for transactions in the account. Each security transaction under NAA will incur a transaction fee. The transaction fee schedule is charged at the time of the transaction will be so identified on the Client's security confirmation issued from Pershing LLC, the clearing firm for NEXT. The specific transaction fee schedule is subject to change and will be fully disclosed to the Client in the account opening documents.

Payment of NAA Fee: All NAA advisory service fees will be directly debited from the Client's account at Pershing by the Custodian. A Client may withdraw their authorization contained in the program advisory agreement) for direct debiting at any time. A Client should understand that if they elect to withdraw this authorization, NEXT will terminate the agreement under the program. The Client may terminate a NAA agreement within five business days after the date when all parties have signed the agreement without penalty. After this five-day period, either party may terminate the agreement upon 30 days written notice to the other.

Other Expenses-

The Client may be charged fees for Cost Basis tracking on investments in the account(s), depending on the dollar amount of the assets, custodial fees, or other fees as described in the account opening documents.

Custodian-

The Client will be required to open and maintain an account at NEXT, held by Pershing, NEXT's custodian and clearing firm.

Eligible Assets-

All eligible securities such as stocks, bonds, cash instruments, no load or load-waived mutual funds (load funds may be subject to an offset period), unit investment trusts, limited partnerships and variable annuities can be bought or transferred into the account. Ineligible securities include options and Class B, C or D mutual fund shares. The NEXT IAR is prohibited from purchasing or transferring in a mutual fund with a 12b-1 fee greater than 25 basis points (.25%).

All transactions for this portfolio will be placed by the IAR at NEXT.

Clients may limit or restrict types of investments on the account opening documents.

COMPENSATION FOR SILVER LEVEL SERVICES--

Asset Management Fees for these services generally do not exceed 3% per year, and are negotiable only with certain providers. Any fee of 3% per year or greater of assets under management may be in excess of the industry norm and similar advisory services may be obtained for less from other providers. Fees vary depending on the program selected, the size of the account, and the services provided. Under some programs an all-inclusive fee covers account management, brokerage, clearing, custody and administrative services. In other programs, the account may be charged separately for such services. Fees are based upon the market value of the assets and are billed quarterly in advance.

A Complete description of the fee structure, transaction charges, and any other charges, is provided in detail by each Third Party Manager program sponsor for each type of account. A "menu" of programs is available for review and an a la carte selection by the Client.

Information on the Third Party Managers is available on the SEC's website at www.adviserinfo.sec.gov.

IARs are compensated by participation in the advisory fee charged by the Third Party adviser. Each Client who selects an adviser will receive a copy of that adviser's Form ADV, Part 2A, or equivalent disclosure document, describing the adviser's trading policy in detail. In the case of accounts placed with advisers in the direct manager relationship program, commissions for trading may also be received by IARs of MMI at discount brokerage rates.

NEXT will not be paid fees through a direct contact with the Client, but will receive a portion of the advisory fee as a "Solicitor" in accordance with Rule 206(4)-3 enforced by the Securities and Exchange Commission under the Investment Advisers Act of 1940. Registered Representatives of NEXT who are allowed to act as IARs of MMI in its advisory function will participate in the advisory fees paid through NEXT.

The amount of the fees, the services provided, the payment structure, account minimums, termination provisions and other aspects of each program are detailed and disclosed in the Third Party Manager's Form ADV Part 2-A Firm Brochure and WRAP Fee Brochure, and supplemental brochures, as applicable, along with other account opening documents.

COMPENSATION FOR BRONZE LEVEL SERVICES:

This is a Commission based Brokerage account. All brokerage, custodial, and other costs are disclosed in the account opening documents.

Clients are not required to affect brokerage through NEXT and may elect other brokers or agents. When clients direct brokerage to other firms, client's costs may be higher.

NORTHSTAR TACTICAL ALLOCATION and REPOSITIONING (N*STAR)

N*STAR is an In House Wrap Fee Money Management platform utilizing Proprietary Fundamental and Technical analysis and Momentum based tracking. This is a Tactical, Active Portfolio Management process. Currently there are two models to choose from: a Growth model, and an Income model. The client will receive MMI's *Form ADV 2-A Firm Brochure* and *2-B Brochure Supplement(s)*, and *WRAP Fee Brochure*, as applicable, including annual or periodic updates.

COMPENSATION:

Fees are tiered as outlined in the schedule below.

N*STAR ASSET MANAGEMENT RATES:

The scheduled rates are:

MMI/IAR

Market Value of Assets

Annual Advisory Fee

First \$1,000,000.

2.50%

Next 1,000,001-2,500,000

2.25%

Next 2,500,001-5,000,000

2.00%

Next 5,000,001-7,500,000

1.75%

Next 7,500,001-10,000,000

1.00%

Next 10,000,001 and up

Negotiable

Other Charges and Expenses-

Administrative Fee and Transaction Costs: As a part of the advisory and management fee discussed above, each N*STAR account will incur an annual administrative fee of .25 basis points (.0025%), or \$150., whichever is greater which includes security transactions in the N*STAR account. . In unusual or aberrational market fluctuations, additional ticket charges of \$3.95 per trade may be assessed by the Custodian, Foliofn . The MMI/IAR Advisor will pay these annual administrative and trading expenses as stated in the account opening documents.

Payment of N*STAR Fees:

All N*STAR advisory service fees will be directly debited from the Client account held by Foliofn as the Custodian on a monthly basis, in arrears. The Client fee is an all-inclusive fee which covers account management, brokerage, clearing, custody and administrative services.

A Client may withdraw their authorization (contained in the program advisory agreement) for direct debiting at any time. A Client should understand that if they elect to withdraw this authorization, MMI will terminate the agreement under the program. The Client may terminate a N*STAR/Foliofn agreement within five business days after the date when all parties have signed the agreement without penalty. After this five-day period, either party may terminate the agreement upon 30 days written notice to the other.

Other Expenses-

The Client may be charged fees by the Custodian for account closing, or other fees, as detailed in the account opening documents.

Custodian-

The Client will be required to open and maintain an account at Foliofn Investments, Inc, as custodian and clearing firm.

Eligible Assets-

All eligible securities such as exchange listed, or over the counter, domestic or foreign securities (stocks); corporate or municipal debt or government securities (bonds); commercial paper, certificates of deposit and other cash instruments.

Ineligible securities include options and Class B, C or D mutual fund shares. The NEXT IAR is prohibited from purchasing or transferring in a mutual fund with a "Rule 12b-1 fee" greater than 25 basis points (.25%). All transactions for this portfolio will be placed by the Portfolio Manager(s) for N*STAR.

The minimum account size is \$50,000.

MMI will provide a summary of fees and/or commissions related to any Client account(s) upon request

Item 6—*Performance-Based Fees and Side-by-Side Management:*

MMI does not provide investment management services on a Performance Based or Side by Side basis.

Item 7—Types of Clients:

Clients include Individuals, High Net Worth Individuals, Pension and Profit sharing plans, Corporations or Business entities, Trusts, Estates, Foundations or Charitable organizations.

Item 8-A--Methods of Analysis, Investment Strategies and Risk of Loss:

Investing in securities involves risk of loss that Clients should be prepared to bear.

MMI IARs utilizes charting, fundamental, technical and cyclical analysis tools, as well as financial publications; research reports written or provided by others; rating services; timing services; annual reports, prospectuses, and filings with the SEC; and company press releases. Professional sources include Standard and Poors, Value Line, Moody's, Investor's Business Daily, Wall Street Journal, and other online publications. Other resources include Morningstar, Albridge, Redtail and other analytical, reporting, tracking and contact management tools.

Some purchases are held for the long term (at least one year), some for a short term (sold within one year), and some involve active trading (sold within 30 days). All trading in non-qualified (non-retirement) accounts can produce tax consequences and should be discussed with a Client's tax advisor. Frequent trading can increase brokerage charges and other investment costs, resulting in a lower rate of return. Certain Clients utilize margin transactions, and execute specific authorizations for that activity.

Depending on the limitations of a particular Client or investment management account, IARs may engage in Option writing, including covered options (where you own the stock), uncovered options (where you do not own the stock) or spreading strategies for aggressive risk oriented Clients.

Item 8-B--Risk of Loss:

Securities can decrease in value, and in some cases, could result in a loss of the client's entire investment. The following are some types of risk that could affect the value of a client's portfolio:

- Market risk: The risk that changes in the overall market will have an adverse effect on individual securities, regardless of the issuer's circumstances.
- Business risk: Whether because of management or unfortunate circumstances, some businesses will inevitably fail. This is especially true during economic recessions. For example, a company stock may become worthless in the event of a bankruptcy, which would result in a loss of capital to the shareholders.
- Interest rate risk: If the Federal Reserve pushes interest rates higher, the market prices of bonds may be affected. When interest rates rise, the market price of bonds falls.
- Inflation risk: Uncontrolled inflation reduces the buying power of a dollar, and may cause uncertainty among individual investors, possibly resulting in corporations backing away from projects which could further reduce the value of corporate equities.
- Regulatory risk: Legislative, Regulatory and/or judicial changes that impact businesses can drastically change entire industries.
- Liquidity risk: Certain investments lack liquidity or the ability to access their principal quickly, without incurring substantial penalties, or the inability to sell the investment until sometime in the future.
- Opportunity risk: Clients or Investment Advisory Representatives may choose a conservative product to invest in, which could cause the client to miss out on market upswings which may have increased the value of securities with higher risk. The opposite is also true; market downturns could cause the client to lose a significant amount of principal invested in higher risk securities, when their funds could have been invested in lower risk options.
- Reinvestment risk: Clients may be unable to make additional purchases of a security already in their portfolio at the same rate at which the original purchase was made.
- Currency or exchange rate risk: Foreign securities face the uncertainty that the value of either the foreign currency or the domestic currency will increase or decrease; either of which may cause the value of the client's portfolio to fluctuate.
- Transactional cost risk: The client may incur significant transactional charges in an actively traded account. Frequent trading can decrease the value of a client's account due to increased brokerage and transaction costs. In addition, the frequent trading may cause taxable events to occur, which could increase the client's tax burden.
- Short sale risk: Positions have unlimited capability to increase in value, which in turn increases the client's risk, as they would be required to purchase the securities at a high rate in order to cover the short sale.
- Margin risk: Margin values could significantly increase if the position goes against the client.
- Options risk: Holding options for long-term periods could weaken and/or reduce the value of the underlying stock, or create the possibility of a worthless position.

Clients should understand and be willing to accept these and other types of risks when they invest.

Item 9 Disciplinary Information

Item 9—Disciplinary Information:

MMI's IARs have no disciplinary history as of June 1, 2012.

Item 10 Other Financial Industry Activities and Affiliations

Item 10—Other Financial Industry Activities and Affiliations:

IAR's of MMI are/may be Registered Representatives ("Reg Reps") of NEXT Financial Group, Inc ("NEXT"), a full service securities broker/dealer and investment adviser, registered with the SEC, and licensed under federal and state securities law, located in Houston, Texas. NEXT is a member of the Financial Industry Regulatory Authority, Inc ("FINRA") and the Securities Investors Protection Corporation ("SIPC").

Securities transactions for NEXT's NAA and NAA II brokerage Clients are executed through Pershing, LLC, ("Pershing"), an unaffiliated securities broker/dealer, based in Jersey City, New Jersey. NEXT has Anti-Money Laundering Policies and procedures, supervises transactions and utilizes an outside party to test those procedures each year.

IARs of MMI who are separately licensed as registered representatives of NEXT are involved in the sale of securities of various types, including, but not limited to stocks, bonds, mutual funds, variable annuities, non-traded REITs, and limited partnerships. Reg Reps/IARs of NEXT may not offer any securities products or Third Party Managers that are not on NEXT 's approved list. MMI's IARs may act as "Solicitors" for NEXT, or other Investment Advisers and Third Party Managers. Solicitors are paid fees from a portion of the fee a Client pays to the Third Party Managers, not in addition to that compensation. These arrangements will be supervised by, and fees paid through NEXT.

MMI's Clients are advised that they have total freedom to implement recommendations through any broker/dealer. If the Client implements recommendations made by an IAR of MMI by purchasing securities through NEXT, the IAR, in their separate capacity as a Reg Rep, may receive additional compensation in the form of commissions for the sale of investment company products, including "Rule 12b-1" fees on the balances in mutual fund accounts. All compensation received by IARs of MMI for securities transactions through NEXT will be separate, yet normal and customary, for effecting securities transactions. Certain account platforms are fee based and others are commission based. *(Refer to "Item 5-Fees and Compensation")*

Teresa Jensen White, CFP® and Randall Reinagel perform financial planning/consulting as IARs of MMI.

In addition, associated persons may also be involved in the sale of insurance products. As such, Teresa and Randall are each independent insurance agents/brokers, representing several life and health insurance companies. In some instances insurance products may be purchased through NEXT Financial Insurance Company (NFISCO), One Resource Group or other brokerage agencies, and a portion of the commissions generated are retained by those companies. MMIs IARs who are insurance licensed may shop with and direct Clients to any fixed insurance provider or any other insurance brokerage resource company without limitation by MMI, NEXT, or NFISCO.

Insurance Companies

NEXT is affiliated with NEXT Financial Insurance Services Company ("NFISCO") a licensed insurance agency. NFISCO is a subsidiary of NEXT Financial Holdings, Inc., the parent company of NEXT. IARs, in their capacity as insurance agents with NFISCO, or as independent insurance agents, may effect transactions in insurance products for clients and earn commissions for these activities. A portion of commissions paid by clients may be distributed to NEXT, and may benefit those IARs who are shareholders of NEXT Financial Holdings, Inc. Clients are hereby advised that the fees paid to NEXT for advisory services are separate and distinct from the commissions earned by NFISCO and/or its insurance agents for placing the client in insurance products. Clients to whom NEXT offers advisory services are informed that they are under no obligation to use NFISCO and/or its insurance agents for insurance services and may use the insurance firm and agent of their choosing.

MMI offers discretionary investment management through a proprietary platform called N*STAR, utilizing Foliofn Investments, Inc., as Custodian. Robert Randall Fielder is Chief Portfolio Manager for N*STAR.

Please see MMI's "Form ADV 2-A-Appendix 1--Wrap Fee Brochure" for details and specifics.

MMI is not affiliated with either NEXT, Pershing or Foliofn.

MMI may utilize Solicitors to attract business to MMI only by separate written agreement(s) are executed and appropriate disclosures have been made.

The amount of time IARs of the firm spend in their capacities as registered representatives of NEXT and as IARs of the firm will vary.

As of June 1, 2012 MMI IARs who are also Reg Reps/IARs with NEXT are:

Teresa Jensen White, CFP®

Randall James Reinagel

Robert Randall Fielder is pending registration with NEXT Financial Group, Inc. as of June 1, 2012.

(Please see our *Form ADV 2-B Brochure Supplement(s)* on each person for details on the qualifications and background of IARs.

Item 11—Code of Ethics, Participation or Interest in *Client* Transactions and Personal Trading:

MMI has a **Code of Ethics and Personal Trading Policy** manual that employees and IARs are required to follow.

MMI has several goals in adopting this Code. First, the Firm desires to comply with all applicable laws and regulations governing its practice. The management of MMI has determined to set forth guidelines for professional standards, under which all associated persons of MMI are to conduct themselves. MMI has set high standards, the intention of which is to protect client interests at all times and to demonstrate its commitment to its fiduciary duties of honesty, good faith and fair dealing with clients. All associated persons are expected to adhere strictly to these guidelines, as well as the procedures for approval and reporting established in the Code of Ethics primarily related to personal securities transactions, and violations of the Code. In addition, MMI maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by MMI or any person associated with the Firm.

(1) This investment policy has been established recognizing that some securities being considered for purchase and/or sale on behalf of MMI's Clients trade in sufficiently broad markets to permit transactions by Clients to be completed without an appreciable impact on the markets of the securities. Under certain circumstances, exceptions may be made to the policies stated above. Records of these trades, including the reasons for the exceptions, will be maintained with MMI's records in the manner set forth above.

(2) These policies do not apply to certain types of securities, such as obligations of the U.S.

Government, and shares in open-end mutual funds. Open-end mutual funds are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase or redemption. As such, transactions in mutual funds by AIRs are not likely to have an impact on the prices of the fund shares in which clients invest.

The full text of MMI's Code of Ethics is available to clients upon request.

MMI tracks employee/IAR/Financial Consultant, called "related party" or "associated person", transactions on a quarterly basis. MMI currently does not have the type of advisory business, or the trading volume with respect to which conflicts or problems involving best price and execution arise; however if such conflicts do arise, all benefits will be allocated to clients as opposed to related persons first.

Individuals associated with the Firm may buy or sell for their personal accounts(s) investment products identical to those recommended to clients. It is the expressed policy of MMI that employees shall not have priority in any purchase or sale over Clients' accounts. {See (1)(2) above}

IARs of MMI do not act as a Principal (participant in a transaction); do not buy investments from or sell investments to Clients that the IAR owns; do not buy investments or sell investments to MMI Clients owned by other MMI Clients, but rather act as a broker or agent in placing securities transactions for any Client.

IARs may buy or sell for himself/herself securities it also recommends to Clients. These securities include but are not limited to stocks, bonds, mutual funds, unit investment trusts, non-traded REITs, variable annuities, and variable life insurance. MMI employees/independent contractors and/or Reg Reps of NEXT may own stock in NEXT Financial Holdings, Inc.

As representatives of NEXT, these IARs are required to apprise NEXT and MMI of their "Outside Business Activities"; and, with respect to authorized activities, requires those persons to apprise on an ongoing basis.

Item 12-A--Brokerage Practices:

NEXT is located at 2500 Wilcrest, Suite 620, Houston, Texas 77042. Their main telephone number is 877-876-6398.

Under the rules and regulations of the FINRA, NEXT has an obligation to maintain records and perform other functions regarding certain aspects of the investment advisory activities of its Registered Representatives in relation to certain advisory accounts for which its Registered Representatives provide investment advice. These obligations require NEXT to coordinate with, and have the cooperation of, account custodians. In order to fulfill its obligation, NEXT has established a list of custodian and brokerage firms that may be utilized for the custody of Client accounts. These accounts may be directly advised, either by Registered Representatives of NEXT who are investment advisers, or other investment adviser entities, which are affiliated with Registered Representatives of NEXT.

MMI/IARs may be Registered Representatives of NEXT. They may recommend, at Client's choice, other broker dealers and/or Third Party Registered Investment Advisers on NEXT's Approved List.

As representatives of NEXT, these IARs are limited to utilizing brokerage firms and Third Party managers on NEXT's Approved List. MMI/IARs may recommend NEXT as the Client's broker/dealer, at the Client's option, to effect securities transactions on behalf of the Client. The broker/dealer firm offers a broad range of programs and products to fit the Client's needs and offers discounted commission rates. IARs of MMI attempt to discount commissions on stock and bond trades, consistent with the minimums of the broker dealer(s), NEXT and Pershing.

MMI does not receive referrals from broker/dealers or investment companies in exchange for doing business with them.

IARs of MMI attempt to obtain the lowest execution costs of investment company shares by seeking the lowest cost class of shares. Pershing, as a clearing broker dealer, seeks "best execution", i.e., a price that is as favorable to clients as possible under prevailing market conditions, among listed exchanges. While best execution is sought, there is no assurance that it will be obtained.

MMI's Clients are advised that they have total freedom to implement recommendations through any broker/dealer. A Client may negotiate and seek execution outside of NEXT/Pershing and should be aware that directing brokerage to other firms may cost clients more money.

If the Client implements recommendations made by an IAR of MMI by purchasing certain mutual funds, through NEXT, the IAR, in their separate capacity as a registered representative, may receive additional compensation in the form of commissions, including Rule 12b-1 fees, for the sale of investment company products. All compensation received by IARs of MMI for securities transactions through NEXT will be separate, yet normal and customary, for effecting securities transactions.

IARs may make differing recommendations with respect to the same securities or insurance products to different advisory Clients. All recommendations made are specific to each Client's individualized needs and current financial situation.

Generally, securities that may be included are exchange listed, or over the counter, domestic or foreign securities (stocks); corporate or municipal debt or government securities (bonds); commercial paper, certificates of deposit and other cash instruments; no load or load-waived mutual funds, unit investment trusts (UITs), Options, Exchange Traded funds (ETFs), Warrants, Non-traded Real Estate Investment Trusts (REITs), limited partnerships and variable annuities. Partnerships may be recommended and include asset classes such as, real estate, agriculture, equipment leases, oil and gas and other investments, as approved by NEXT.

MMI has no "soft-dollar" arrangements whereby it receives goods or services from recommending broker/dealers, specific investments or by establishing markups or markdowns in commissions. MMI purchases all its research, software, marketing and other relevant services. Occasionally, investment or insurance companies will invite MMI/NEXT IARs to participate in "Due Diligence" meetings to educate IARs about their products or services and contribute some or all of the cost for travel, hotel, etc., expenses related to the meeting. Investment or Insurance companies may participate in Client education or appreciation events, as approved by NEXT. All such meetings and events, and other firm's participation is supervised and approved by NEXT.

12-B--Aggregating Orders:

NEXT's IARs may aggregate orders in a block trade or trades when securities are purchased or sold through the same broker/dealer for multiple advisory accounts. The IAR must reasonably believe that the block order is consistent with the duty to seek best execution and may benefit each client participating in the aggregate order. The average price per share of each block trade is allocated to each account that participated in the block trade. Accounts that participate in the same block trade are charged transaction costs, if applicable, in accordance with their advisory contracts.

If a block order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular client accounts. For example, partial fills generally are filled pro rata among participating accounts.

Not all IARs aggregate orders. Not all types of advisory accounts permit aggregate orders. Clients are encouraged to ask their IAR about aggregate orders and understand the details of the respective account platform(s) they have selected and refer to the account opening documents.

Item 13--Review of Accounts:

Each IAR will monitor their client accounts and conduct a review of their accounts periodically. Teresa Jensen White and/or Randy Reinagel and/or Randall Fielder will monitor asset management accounts on a continuous and regular basis and will conduct a formal review of accounts on at least an annual basis.

Triggering factors that may stimulate a review include, but are not limited to, economic events, significant market corrections, large deposits or withdrawals from an account, substantial changes in the value of a client's portfolio, a change in the client's investment objectives, or at the client's request.

Specific types of asset management platforms have minimum review requirements. (Refer to "Item 4- Advisory Business" for details on the review period for each type of account.)

MMI sends written quarterly Investment Management reports, *utilizing Albridge software*, to Clients in addition to those sent by NEXT/Pershing or Foliofn. Clients should refer to confirmations and custodial statements for accurate tax information. MMI's statements are deemed conclusive. Clients are advised to report any inaccuracy or discrepancy to your IAR within ten days of receipt of each statement. MMI is not responsible for software errors or inaccuracies.

Financial Planning/Consulting Clients receive ongoing review of areas affecting their financial matters, such as changes in assets and liabilities, income and expenses, income and estate tax law, insurance needs and coverages, retirement plans, etc. as detailed in their respective WMA. Reviews may be initiated by the IAR or requested by the Client. Updates to strategies may be verbal or written.

Item 14—Client Referrals and Other Compensation:**Client Referrals--**

MMI/IARs may from time to time establish a referral relationship with banking or thrift institutions, accounting firms, law firms, pension consultants, real estate brokers or dealers to provide financial planning/investment advisory services for Clients, at the Client's choice.

No referrals fees will be paid by or received by MMI unless a "Solicitor's" agreement has been executed and appropriate disclosures have been made.

MMI may execute "Limited Agency Agreements" with "Solicitors" and directly compensate them with a referral fee of up to 10% of the financial planning fee, or investment advisory fee, paid by the Client they refer. The referral fee will be a portion of, not in addition to, the fee paid by the client to MMI.

As of this filing, there are no Limited Agency Agreements or Solicitors Agreements for MMI in place.

NEXT does not directly or indirectly compensate persons who are not affiliated with NEXT for client referrals. NEXT does not share fees or commissions on any service or product purchased by Clients, unless processed through and approved by NEXT. Disclosures will be made to NEXT and Clients, as applicable.

Other Compensation—

Some Investment Advisers, broker/dealers, investment or insurance companies may offer marketing assistance, educational assistance, statements, downloads of information, access to research tools, etc to IARs. These services are offered through and supervised by NEXT and may be used by IARs on behalf of their clients.

MMI maintains a "Gift Log" for all gifts exchanged between IARs and Clients, investment and insurance providers, broker/dealers or other parties in excess of \$25.00 per gift.

Item 15—Custody:

MMI does not have Custody of Client assets or income.

Pershing LLC is the Custodian for all NAA II and NAA asset management accounts placed through NEXT.

Certain Third Party Management accounts or retirement plans may have other Custodians, as approved by NEXT. Please refer to the specific account opening documents and disclosures.

Foliofn Investments, Inc, Institutional Division, is the Custodian for all N*STAR accounts.

Item 16—Investment Discretion:

MMI does not exercise Discretion over Client's asset management accounts without specific written client consent.

When MMIs IARs, as "Related Persons", are acting in the capacity of *NEXT IARs*, in either the "NAA II", or the "NAA" asset management account, they may exercise discretion in the management of Client's assets, as granted in writing by the Client. This discretion is limited to the securities to be bought or sold, or the amount of securities to be bought or sold within the investment account.

In the N*STAR/Folio*fn* account, MMIs IARs may exercise discretion in the management of client's assets as granted in writing by the Client. This discretion is limited to the securities to be bought or sold, or the amount of securities to be bought or sold within the investment account.

IARs are not authorized to withdraw or transfer any money, securities, or property either in the name of the Client or otherwise, without Client's specific written consent.

Item 17—Voting *Client* Securities:*Proxy Voting*

MMI will not be required to take any action or render any advice with respect to voting of proxies solicited by, or with respect to, the issuers of securities in which Client's assets may be invested. All proxy related materials received directly by MMI will be forwarded to the client for direct action.

Class Action Lawsuits

From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. MMI has no obligation to determine if securities held by the Client are subject to a pending or resolved class action lawsuit. MMI also has no duty to evaluate a Client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, MMI has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct or negligence by corporate management of issuers whose securities are held by Clients.

Where MMI receives written or electronic notice of a class action lawsuit, settlement or verdict affecting securities owned by a client, it will forward all notices, proof of claim forms and other materials, to the Client. Electronic mail is acceptable where appropriate, and the Client has authorized contact in this matter.

Item 18—Financial Information:

MMI does not require the pre-payment of more than \$500. in fixed fees per Client, six or more months in advance, and thus is not required to provide a Balance Sheet as a part of this filing.

MMI and it's IARs have never been the subject of any bankruptcy proceeding.

Item 19—Requirements for State-Registered Advisers:

State regulators require reporting of disciplinary history. No disciplinary reporting is required as the date of this filing. Please reference the firm's *Form 2-B--Brochure Supplements* for disclosure of any disciplinary history of IARs.

Teresa Jensen White owns 100% of the stock in MMI.

MMI may be required to transition to filing with State regulators by June 28, 2012.

Item 20—MMI's Privacy Policy:

MMI has a **Privacy Policy** designed to protect the confidentiality of Client's financial, health, and other personal information. A copy of the MMI Privacy Policy and Notice is provided to Clients after opening an account and is updated annually, in March. MMI secures all hard copy client data in locked rooms; utilizes passphrase protected electronic files and permits access only to authorized persons.

Item 21—MMI's Business Continuity Plan:

Data is backed up regularly and secured in off-site storage. MMI utilizes an independent technology company as systems administrator. MMI's computer systems contain a hardware firewall to protect against invasion of data by unauthorized persons, and virus detection software is used on an ongoing basis.

MMI has emergency operations systems and disaster recovery policies and procedures as part of its **Business Continuity Plan** (BCP) and has tested these systems successfully. **The Designated Contact Person is Teresa Jensen White, whose off-site emergency number is 210-410-0683 or 210-349-2450, and whose off-site e-mail is skipteresawhite@aol.com.**

The Designated Alternate Contact Person is Randy Reinagel, who off-site emergency number is 210-601-3933 or 210-595-8306.

In the event of an emergency, Clients and associates should first attempt to contact the office by phone at 210-349-9494, or by e-mail to mail@moneymanagersinctx.com and use the emergency contacts provided under the BCP as necessary.

A Business Continuity Plan Notice (BCPN) is mailed to Clients after opening an account and is updated annually, in October. MMI provides a complete copy of the BCP to Clients upon request.

MMI's Chief Compliance Officer (CCO) is Teresa Jensen White, CRD#1321876.

Supervising Branch Manager (OSJ) for NEXT is Randall J. (Randy) Reinagel.

Chief Portfolio Manager of the N*STAR accounts is Robert Randall Fielder.

Item 22: CFP® Certification Explanation Statement:

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively the CFP® "marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with Clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- + Education--Complete an advanced college level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include retirement planning, income tax planning, investment planning, employee benefits planning, estate planning, and insurance planning and risk management.

- + Examination--Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to a real world circumstances.

- + Experience--Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and

- + Ethics--Agree to be bound by CFP Board's Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- + Continuing Education--Complete 30 hours of continuing education every two years, including two hours on the Code of Ethics and other parts of the Standards of professional Conduct, to maintain competence and keep up with developments in the financial planning field; and

- + Ethics--Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their Clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their certification.

Form ADV Part 2B: Money Managers, Inc. Brochure Supplement Summary:

The following persons provide investment advisory services to Clients of MMI and are supervised by MMI and NEXT:

(See Item 9-Disciplinary Information-no such information is applicable as of June 1, 2012).

Resume: Teresa Jensen White

Year of Birth: 1948

Education:

College for Financial Planning, Denver Colorado-CFP® - 1985 (Please refer to *Item 22 of Form ADV 2 A*)

1.5 years - San Antonio College, San Antonio, Texas

1 year Incarnate Word College

Diploma - Incarnate Word High School, San Antonio, TX

Business Background:

2009- Present CEO, CCO, Inv Adv Director, IAR of Money Managers, Inc.

1981- Present Pres, CCO, Inv Adv Director, IAR of Money Managers, Inc.

General Agent - Teresa Jensen White

2008- Present Registered Principal, Division Mgr. with NEXT Financial Group, Inc, broker/dealer firm

2001-2008 Registered Principal with Mutual Service Corp./broker/dealer firm

1995-2001 Registered Principal with SunAmerica Securities, broker/dealer firm

1992-1995 Registered Representative/IFG Network Securities Inc, broker/dealer firm

1989-1992 Registered Representative/DeRandPenningtonBassInc, broker/dealer firm

1986-1989 Registered Representative/Knibbe Financial Group Inc, broker/dealer firm

1981- Present Financial Planner/Money Managers, Inc

1981- Present Insurance Agent

1979-1980 Self Employed-planning/insurance agency

1977-1978 Sales Manager and insurance agent/B&B Associates

1973-1977 Organizer-Benefit Planner/National Maritime Union

Teresa Jensen White is named as a Personal Representative under a Durable Power of Attorney for family members. She potentially will receive future compensation from these and future similar arrangements.

Resume: Randy Reinagel

Year of Birth: 1968

Education:

1982-1986 Alice High School, Alice, Texas - High School Diploma

1986-1990 Southwest Texas University - BS in Psychology

Business Background:

2009- Present President/IAR - Money Managers, Inc.

2006- Present Financial Consultant & Planner - Money Managers, Inc.

2006- Present Insurance Agent

2008- Present Registered Principal /OSJ - NEXT Financial Group, Inc.

2006-2008 Registered Representative - Mutual Service Corp.

1996-2005 Registered Principal - American Express Financial Advisors

Resume: Robert Randall Fielder

Year of Birth: 1951

Education:

1988-University of Houston --Degree None

1969-1970--Elkins Institute- Atlanta, GA--1st Class FCC License

1969--Career Academy of Broadcasting--3rd Class FCC License

Business Background:

05/2012-Present Chief Portfolio Manager - Money Managers, Inc,

05.2012-Present Pending registration as a Registered Representative -- NEXT Financial Group, Inc

02/2011-Present Self Employed as Independent Compliance Auditor

11/2010- 02/2011-- Portfolio Manager - Hancock Retirement Strategies

02/2007- 11/2010-- Sr. Branch Compliance Examiner - NEXT Financial Group, Inc

