

Firm Brochure

(Part 2A of Form ADV)

MILLER, FLEMING & ASSOCIATES

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This brochure provides information about the qualifications and business practices of MILLER, FLEMING & ASSOCIATES. If you have any questions about the contents of this brochure, please contact us at: (415) 392-8577, or by email at: MILLFLEM@SBCGLOBAL.NET. 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.

Additional information about MILLER, FLEMING & ASSOCIATES is available on the SEC's website at www.adviserinfo.sec.gov

April 24, 2012

Material Changes

Annual Update

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

Material Changes since the Last Update

Miller, Fleming & Associates is now registering with the State of California

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (415) 392-8577 or by email at: MILLFLEM@SBCGLOBAL.NET.

Table of Contents

Material Changes.....	i
Annual Update	i
Material Changes since the Last Update	i
Full Brochure Available	i
Advisory Business	1
Firm Description.....	1
Principal Owners.....	1
Types of Advisory Services.....	1
Tailored Relationships	2
Types of Agreements.....	2
Investment Management Agreement.....	2
Retainer Agreement.....	3
Asset Management	3
Termination of Agreement	3
Fees and Compensation.....	3
Description	3
Fee Billing	4
Other Fees.....	4
Expense Ratios.....	4
Past Due Accounts and Termination of Agreement	4
Types of Clients.....	5
Description	5
Account Minimums.....	5
Methods of Analysis, Investment Strategies and Risk of Loss.....	5
Methods of Analysis	5
Investment Strategies	5
Risk of Loss	6
Disciplinary Information	7
Legal and Disciplinary.....	7

Other Financial Industry Activities and Affiliations	7
Financial Industry Activities.....	7
Affiliations	7
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	7
Code of Ethics	7
Participation or Interest in Client Transactions.....	7
Personal Trading.....	7
Brokerage Practices.....	8
Selecting Brokerage Firms.....	8
Best Execution	8
Soft Dollars	8
Order Aggregation	8
Review of Accounts	8
Periodic Reviews	8
Review Triggers	8
Regular Reports.....	8
Client Referrals and Other Compensation	9
Incoming Referrals.....	9
Referrals Out	9
Other Compensation.....	9
Custody.....	9
Account Statements.....	9
Performance Reports.....	9
Investment Discretion.....	9
Discretionary Authority for Trading.....	9
Limited Power of Attorney	10
Voting Client Securities	10
Proxy Votes	10
Financial Information	10
Financial Condition	10

Business Continuity Plan	11
General	11
Disasters	11
Alternate Offices	11
Loss of Key Personnel	11
Information Security Program.....	11
Information Security	11
Privacy Notice	11
Education and Business Standards	12
Guy Annamanthodo, MBA, B.Sc.....	12

Advisory Business

Firm Description

MILLER, FLEMING & ASSOCIATES, ("FIRM NAME") was founded in 1955.

MILLER, FLEMING & ASSOCIATES provides personalized confidential investment management to individuals, trusts, estates, charitable organizations and small businesses. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

MILLER, FLEMING & ASSOCIATES is strictly a fee-only investment management firm. The firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder's fees are accepted.

Investment advice is provided, with some clients retaining discretionary authority over their assets and other clients granting full discretion for making investment decisions to the firm. MILLER, FLEMING & ASSOCIATES does not act as a custodian of client assets. The client always maintains asset control. MILLER, FLEMING & ASSOCIATES places trades for clients under a limited power of attorney.

Each investment portfolio is customized depending on a client's risk tolerance, age, investment objectives, and tax considerations. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

Principal Owners

Guy Annamanthodo is a 100% stockholder.

Types of Advisory Services

MILLER, FLEMING & ASSOCIATES provides investment management services to clients that involve the investment of client assets across a range of investment assets including stocks, bonds, mutual funds and ETFs.

On more than an occasional basis, MILLER, FLEMING & ASSOCIATES furnishes advice to clients on matters not involving securities, such as financial planning matters, taxation issues, and trust services that often include estate planning.

As of December 31, 2011, MILLER, FLEMING & ASSOCIATES manages approximately \$38 million in assets for approximately 17 clients. All assets are currently managed on a discretionary basis.

Tailored Relationships

Each client portfolio is customized depending on a client's age, risk tolerance, investment objective and tax considerations. .

Agreements may not be assigned without client consent.

Types of Agreements

The following agreements define the typical client relationships.

Investment Management Agreement

Most clients choose to have MILLER, FLEMING & ASSOCIATES manage their assets in order to obtain ongoing in-depth advice and life planning. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The scope of work and fee for an Investment Management Agreement is provided to the client in writing prior to the start of the relationship. An Investment Management Agreement involves the management of a clients assets and involves investing a clients assets across various asset classes such as stocks, bonds, mutual funds and ETFs.

The annual Investment Management fee is based on a percentage of the investable assets according to the following schedule:

1.00% on the first \$1000,000;

0.80% on the next \$500,000 (from 500,001 to 1,000,000); and

0.60% on the assets above \$1,000,000.

All fees are negotiable. Current client relationships may exist where the fees are higher or lower than the fee schedule above.

Lower fees for comparable services may be available from other sources.

Although the Investment Management Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The

portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

Retainer Agreement

In some circumstances, a *Retainer Agreement* is executed in lieu of an *Advisory Service Agreement* when it is more appropriate to work on a fixed-fee basis. The annual fee for a *Retainer Agreement* is \$10,000 and is *NEGOTIABLE*.

Lower fees for comparable services may be available from other sources.

Asset Management

Assets are invested in publicly traded common stock, government bonds, corporate bonds, municipal bonds, mutual funds, and ETFs. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Discount brokerages may charge a transaction fee for the purchase of some funds.

Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for stock and bond trades. MILLER, FLEMING & ASSOCIATES does not receive any compensation, in any form, from fund companies.

Initial public offerings (IPOs) are not available through MILLER, FLEMING & ASSOCIATES.

Termination of Agreement

A Client may terminate any of the aforementioned agreements at any time by notifying MILLER, FLEMING & ASSOCIATES in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, MILLER, FLEMING & ASSOCIATES will refund any unearned portion of the advance payment.

MILLER, FLEMING & ASSOCIATES may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, MILLER, FLEMING & ASSOCIATES will refund any unearned portion of the advance payment.

Fees and Compensation

Description

MILLER, FLEMING & ASSOCIATES bases its fees on a percentage of assets under management, or on a fixed dollar amount.

Some *Retainer Agreements* may be priced based on the complexity of work, especially when asset management is not the most significant part of the relationship.

Fee Billing

Investment management fees are billed quarterly, in *ARREARS*, meaning that we invoice you *AFTER* the three-month billing period has *ENDED*. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

Our fee invoice will show the amount of your fee, the market value upon which the fee was based, and the manner in which the fee was calculated.

It is the client's responsibility to verify the accuracy of the fee calculation as the custodian will not do so.

Other Fees

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

MILLER, FLEMING & ASSOCIATES, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

Expense Ratios

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to MILLER, FLEMING & ASSOCIATES.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

Past Due Accounts and Termination of Agreement

MILLER, FLEMING & ASSOCIATES reserves the right to stop work on any account that is more than 60 days overdue.

Types of Clients

Description

MILLER, FLEMING & ASSOCIATES generally provides investment advice to individuals, trusts, estates, and charitable organizations.

Client relationships vary in scope and length of service.

Account Minimums

The minimum account size is \$1,000,000 of assets under management, which equates to an annual fee of \$10,000.00.

MILLER, FLEMING & ASSOCIATES has the discretion to waive the account minimum. Accounts of less than \$1,000,000.00 may be set up when the client and the advisor anticipate the client will add additional funds to the accounts bringing the total to \$1,000,000.00 within a reasonable time. Other exceptions will apply to employees of MILLER, FLEMING & ASSOCIATES and their relatives, or relatives of existing clients.

Clients with assets below the minimum account size may pay a higher percentage rate on their annual fees than the fees paid by clients with greater assets under management.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis consists solely of fundamental analysis of companies and securities.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that MILLER, FLEMING & ASSOCIATES may use include Morningstar Principia mutual fund information, Morningstar Principia stock information, Charles Schwab & Company's "SchwabLink" service, Advisor Intelligence, and the World Wide Web.

Investment Strategies

The primary investment strategy used on client accounts is primarily based on the purchase of large capitalization common stocks that have a history of revenue and earnings growth and have below market PE ratios. In addition to common stock we also use ETFs, mutual funds, municipal bonds, corporate bonds and government bonds when allocating client assets.

Our turnover is very low as we think high turnover of securities leads to capital gains taxes as well as more trading costs, which are usually detrimental to performance.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time.

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Disciplinary Information

Legal and Disciplinary

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

Other Financial Industry Activities and Affiliations

Financial Industry Activities

None

Affiliations

None

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

Code of Ethics

The employees of MILLER, FLEMING & ASSOCIATES have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

MILLER, FLEMING & ASSOCIATES and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the MILLER, FLEMING & ASSOCIATES *Compliance Manual*.

Personal Trading

The Chief Compliance Officer of MILLER, FLEMING & ASSOCIATES is Guy Annamanthodo. He/she reviews all employee trades each quarter. As Mr. Annamanthodo is the sole employee of the firm he is responsible for documenting and reviewing his personal trades.

Brokerage Practices

Selecting Brokerage Firms

MILLER, FLEMING & ASSOCIATES does not have any affiliation with product sales firms. Specific custodian recommendations are made to Clients based on their need for such services. MILLER, FLEMING & ASSOCIATES recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

MILLER, FLEMING & ASSOCIATES recommends brokerage firms, banks and trust companies (qualified custodians), such as Charles Schwab, Wells Fargo, Union Bank, and Morgan Stanley.

MILLER, FLEMING & ASSOCIATES *does not* receive fees or commissions from any of these arrangements.

Best Execution

MILLER, FLEMING & ASSOCIATES has established a *Best Execution* policy for the trades it places through brokerage firms. This policy is documented in the MILLER, FLEMING & ASSOCIATES *Compliance Manual*. Trading fees charged by the custodians is also reviewed on a monthly basis. MILLER, FLEMING & ASSOCIATES does not receive any portion of the trading fees.

Soft Dollars

Miller, Fleming & Associates does not utilize soft dollar arrangements.

Order Aggregation

Order aggregation is seldom used.

Review of Accounts

Periodic Reviews

Account reviews are performed quarterly by Guy Annamanthodo, President and Portfolio Manager. Account reviews are performed more frequently when market conditions dictate.

Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

Regular Reports

Account reviewers are members of the firm's Investment Committee. They are instructed to consider the client's current security positions and the

likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive periodic communications on at least an annual basis.

Advisory Service Agreement clients, *Investment Management* clients, and *Retainer Agreement* clients receive written quarterly updates. Clients receive a portfolio appraisal on a quarterly basis that provides a client information on their security positions, market values, and cash allocations.

Client Referrals and Other Compensation

Incoming Referrals

MILLER, FLEMING & ASSOCIATES has been fortunate to receive some client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

Referrals Out

MILLER, FLEMING & ASSOCIATES does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Other Compensation

None

Custody

Account Statements

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly.

Performance Reports

Clients are urged to compare the account statements received directly from their custodians to appraisal reports provided by MILLER, FLEMING & ASSOCIATES.

Investment Discretion

Discretionary Authority for Trading

MILLER, FLEMING & ASSOCIATES accepts discretionary authority to manage securities accounts on behalf of clients. MILLER, FLEMING &

ASSOCIATES has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, MILLER, FLEMING & ASSOCIATES consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given.

The client approves the custodian to be used and the commission rates paid to the custodian. MILLER, FLEMING & ASSOCIATES does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

Limited Power of Attorney

A limited power of attorney is a trading authorization for this purpose. You sign a limited power of attorney so that we may execute the trades that you have approved.

Voting Client Securities

Proxy Votes

MILLER, FLEMING & ASSOCIATES does not vote proxies on securities. Clients are expected to vote their own proxies.

When assistance on voting proxies is requested, MILLER, FLEMING & ASSOCIATES will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

Financial Information

Financial Condition

MILLER, FLEMING & ASSOCIATES does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because MILLER, FLEMING & ASSOCIATES does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.

A balance sheet is not required to be provided because MILLER, FLEMING & ASSOCIATES does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$600 per client, and six months or more in advance.

Business Continuity Plan

General

MILLER, FLEMING & ASSOCIATES has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

Disasters

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

Alternate Offices

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

Loss of Key Personnel

MILLER, FLEMING & ASSOCIATES has signed a Business Continuation Agreement with another financial advisory firm to support MILLER, FLEMING & ASSOCIATES in the event of Guy Annamanthodo's serious disability or death.

Information Security Program

Information Security

MILLER, FLEMING & ASSOCIATES maintains an information security program to reduce the risk that your personal and confidential information may be breached.

Privacy Notice

MILLER, FLEMING & ASSOCIATES is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually, in writing.

Education and Business Standards

Miller, Fleming & Associates requires that advisors in its employ have a bachelor's degree and further coursework demonstrating knowledge of financial planning and tax planning. Examples of acceptable coursework include: an MBA, a CFP®, a CFA, a ChFC, JD, CTFA, EA or CPA. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management.

Guy Annamanthodo, MBA, B.Sc.

Educational Background:

- Date of birth: June 19, 1960
- University of San Francisco (1982, 1985).

Business Experience:

- Miller, Fleming & Associates. (1996 – Present)
- Del Monte Foods, Inc. (1995 – 1996)
- National Gypsum Company (1993 – 1995)
- Callan Associates (1986 – 1993)

Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None