

HEBER FUGER WENDIN, INC

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ADV PART 2 2011

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Note: This brochure has not been formally approved by the SEC or any state securities authority.

Material changes since the last ADV filing:

There have been no material changes to the organization of Heber Fuger Wendin, Inc. in the past year.

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PART 2A

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Note: Part 2A, Appendix 1 is not relevant because HFW does not have any wrap fee programs.

Item #4 Description of Heber Fuger Wendin, Inc's Advisory Business

Heber Fuger Wendin, Inc. has been contributing to the success of managed portfolios for corporations, institutions and individuals since 1934.

Our largest segment of business is managing investment portfolios for financial institutions. This is a highly regulated market this is primarily limited to investment grade bonds (both taxable and tax exempt) and fixed income securities. In addition to this we also manage portfolios for individuals, municipalities, foundations, hospitals and insurance companies. These portfolios range from all investment grade bonds and fixed income portfolios to balanced portfolios which include stocks (common, preferred and convertible preferred), exchange traded funds, convertible securities and various mutual funds including money market funds.

We do not participate in any wrap fee programs.

As reported in our ADV form Part 1, as of December 31, 2011, our non-discretionary assets under management were \$4,143.1 million, or 99.1% of total and discretionary assets were \$37.2 million, or .9% of total funds managed.

Item #5 Fees and Compensation

We wish to emphasize that HFW offers only fee-based services. We are not brokers, have never owned a security to sell or to trade for a commission, and can therefore be objective in our recommendations to clients.

5a. Base Fees.

The base advisor fee for banks and financial institutions is based on the managed funds of the institution, ranging from a minimum of \$550 per month and up. Fees are billed monthly in advance. The bank client contract has a thirty-day cancellation period, so that any fees billed in advance will apply toward the 30 day notice if necessary. Most bank clients have opted to be billed on a flexible fee basis related to the market value of their investment account managed by Heber Fuger Wendin (HFW). Banks with flexible fee contracts have fees adjusted every six months based on their funds managed listed on the most recent call report.

For non-bank clients, the typical fee schedule (which is negotiable) is as follows:

Assets under management	<u>Fees</u>	<u>Cumulative</u>
.7 of 1% on the first \$500,000 market value	\$ 3,500	
.6 of 1% on the next \$500,000 market value	\$ 3,000	\$ 6,500
.5 of 1% on the next \$1,000,000 market value	\$ 5,000	\$11,000
.4 of 1% on the next \$3,000,000 market value	\$12,000	\$23,500
.3 of 1% on the next \$5,000,000 market value	\$15,000	\$38,500
Over \$10,000,000	Negotiated	

These fees are negotiable and are charged quarterly either as a flat fee or a flexible fee. Fees for non-bank clients can be either billed or deducted directly from clients' accounts.

5b. Other Fees.

Aside from the base advisory fees, many institutional clients have opted to receive additional services, such as portfolio accounting, asset/liability consulting and/or mortgage servicing rights valuation.

The fees for the portfolio accounting service include monthly reports and are tiered as follows:

First 50 Securities.....	\$150.00 per month
Plus \$1.50 per line for items 51 to 100	
\$1.25 per line for items 101 to 200	
\$1.00 per line for items for all additional items.	

The Schedule listed above will be applied on a cumulative basis for Multiple Portfolios plus an additional charge of \$50 per month for each additional portfolio.

Portfolio Reports are available at other times during the month at a cost of 40% of the normal schedule. Pricing of Securities will occur monthly. If pricing is required for the additional run, the normal fee schedule will apply.

Additional or Custom Reports, Interfaces, and Graphs may be available upon request. Set up fee and/or monthly fee will be quoted per request.

Fees for Asset/Liability Consulting Service vary and are negotiable.

Mortgage Servicing Rights Valuation Service fees are received from financial institutions who elect to use the service.

Fees for other services such as management consulting, risk assessment and other services are negotiable.

General Information on Advisory Services and Fees

All fees paid to HFW for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. Further, there are transaction charges involved with purchasing or selling of securities. HFW does not share in any portion of the brokerage fees or transaction charges imposed by the custodian holding the client funds or securities. The client should review all fees charged by mutual funds, HFW and others to fully understand the total amount of fees to be paid by the client.

If a client directs HFW to use a specific custodian as a broker-dealer, that client may incur transaction costs in addition to any commissions charged by the broker-dealer when trades in securities are affected. Broker custody of client assets may limit or eliminate HFW's ability to obtain best price and execution in transactions in securities.

Item #6 Performance-Based Fees and Side-by-Side Management

HFW does not use or charge any performance-based fees.

Item #7 Types of Clients

Most HFW clients are small to mid-sized financial institutions such as banks and credit unions, although we do have several other clients including individuals municipalities, foundations, hospitals and insurance companies. The minimum account size for individuals is recommended at \$125,000. For banks there is no minimum since we have advised several new or De Novo banks as they start up and adjust with them as they grow.

Item #8 Methods of Analysis, Investment Strategies, Risk of Loss

8a. Methods of Analysis and Investment Strategies.

All types of investments involve risk and the potential loss of the entire investment. Past performance is no guarantee of future gain or loss. We offer the best advice we can given information available at the time of trade. In the case of non-discretionary accounts (accounts where the client has the final decision of whether or not to invest in the security), we do not have the final say in a trade; the decision and risk of loss is the responsibility of the client.

8b. Material Risks involved.

Investment in investment grade income producing securities has risk. We rely on ratings provided by Moody's, Standard & Poor's and/or Fitch rating services. Un-expected circumstances may arise (such as fraud, lack of timely disclosure and other issues) that can materially and adversely affect the market value and liquidity of the investment. These unexpected circumstances can also affect other investments that we manage in a similar fashion, including mutual funds.

8c. Types of securities and their risks.

Individual securities and types of securities also have risks similar to those described in 8b. Certain types of securities can also have systematic risk caused by changes in tax laws, security laws, government intervention and market making participation by the investment community at large.

Item #9 Disciplinary Information

Heber Fuger Wendin, Inc. has not been subject to any of the criminal or civil actions, administrative proceedings or self regulatory organization proceedings described in the Form ADV Part 2A instructions.

Item #10 Other Financial Industry Activities and Affiliations

HFW is not and does not intend to register as a broker-dealer, and does not have any other financial industry activities or affiliations.

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

The HFW Code of Ethics states that all employees and access persons of Heber Fuger Wendin, Inc. have a fiduciary duty to place the interest of clients ahead of their own and the Company when performing services for clients. The Code does not allow front-running of trades for any client. All Access Persons are prohibited from disclosing information relating to the investment intentions, activities or portfolios of clients except to persons whose responsibilities require knowledge of the information. A full copy of the HFW Code of Ethics is available to any client or prospective client upon request.

All employee personal securities transactions require both pre-approval and report review on a quarterly basis. A compliance officer publishes a list of client-held stocks each quarter or when material changes in holdings occur. Potential conflicts of interest are resolved in favor of the client.

Item #12 Brokerage Practices

Heber Fuger Wendin, Inc. will review necessary financial data to determine the ability of the securities dealer to fulfill commitments as evidenced by capital strength and operating results. The ability to fulfill commitments will be looked at in the context of the transactions being contemplated with that dealer, such as Delivery vs. Payment Trades, Repurchase Agreements, Future Commitments and Forward Contracts...to name a few. All Dealers will not be looked at equally and some approved Dealers may be limited with regard to the types of transactions Heber Fuger Wendin, Inc. will enter into on behalf of clients. The financial data reviewed will be kept in the Broker/Dealer file.

The Dealer and Personnel covering Heber Fuger Wendin, Inc. accounts are a package, and both must pass their own tests on their own merits. Both the Dealer and the Broker must be approved for the Dealer to be on the approved list.

HFW uses comparison evaluation so that efficient execution of trading is attempted for the client each time and it is the broker's responsibility to make any commission inside the price of the offering or net of transparent commissions and fees.

HFW does not have any soft dollar arrangements with any brokers.

Brokers do provide client referrals but the broker is not compensated by HFW for the referral. Transactions or any other compensation is not given to brokers based on potential referrals.

HFW conducts business with over 65 Broker / Dealers to ensure that each of our customers has access to an array of investment opportunities appropriate to their needs. The approved Broker/Dealer list is reviewed monthly and revised as needed.

Clients may direct brokerage services, but in those cases, clients are informed that HFW may not obtain the most favorable execution of trades when multiple brokers are not consulted for fee comparison.

When it is efficient to do so, HFW may aggregate trades on behalf of clients in an attempt to more efficiently execute trades. This will only be done when the transactions are consistent with the clients needs and it benefits or is neutral to the client.

Item #13 Review of Accounts

Clients' accounts and financial plans are reviewed by the primary adviser assigned to the account on a time interval agreed to with the client.

Item #14 Client Referrals and Other Compensation

HFW does not compensate any non-employee for client referrals.

Item #15 Custody

HFW does not take custody of any client accounts other than removing fees from discretionary accounts on a quarterly basis with consent of the client.

Clients are responsible to review reports received from their custodian and compare the statements with any activity reported by HFW to determine whether account transactions, including deductions to pay advisory fees, are as expected.

Item #16 Investment Discretion

HFW has discretion over certain accounts that are limited to securities transactions within the account and to initiate transfers of monies between accounts controlled by and authorized by the client. Further HFW can deduct fees from certain client accounts where that capability is pre-determined and authorized by the client. All clients have the choice of being billed for management fees outside of the account.

Item #17 Voting Client Securities

Heber Fuger Wendin, Inc.'s proxy voting policy and procedures are designed to ensure that proxies are voted in the best interest of our clients, in accordance with our fiduciary duties and SEC rule 206(4) under the Investment Advisers Act of 1940. Our authority to vote the proxies of our clients is established by our advisory contracts or comparable documents. For those clients who have retained proxy voting responsibility, Heber Fuger Wendin, Inc. has no authority and will not vote any proxies for those client portfolios.

Our policy and practice includes the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest as well as making information available to clients about the voting of proxies for their portfolio securities and maintaining relevant and required records.

In any case where an Investment Advisor determines that a proxy vote involves an actual Conflict of Interest, and the proxy vote relates to the election of a director in an uncontested election or ratification of selection of independent accountants or if the proxy vote involves any other matters, the Investment Advisor shall immediately refer the vote to the Account/Client for direction on the voting of the proxy or consent to vote in accordance with the Investment Advisor's recommendation. In all cases where such a vote is referred to the Account/Client, Heber Fuger Wendin, Inc. shall disclose the Conflict of Interest to the Account/Client.

The full HFW proxy voting policy is available to clients upon request.

Item #18 Financial Information

HFW does not solicit payment of advisory fees more than 30 days in advance. No financial condition exists that is likely to impair HFW's ability to meet contractual commitments to clients.