

Firm Brochure
(Part 2A of Form ADV)

RKM Advisors, Inc.

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This brochure provides information about the qualifications and business practices of RKM Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at: (610) 696-3689, or by email at: vanessageiger@rkmadvisors.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about RKM Advisors, Inc. is available on the SEC's website at www.adviserinfo.sec.gov

12/03/2012

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

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at (610) 696-3689 or by email at: vanessageiger@rkmadvisors.com.

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Advisory Business

Firm Description

RKM Advisors, Inc. was founded in 1980.

RKM Advisors, Inc. provides personalized confidential financial planning and investment supervision to individuals, trusts, estates, and business entities. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment supervision, education funding, retirement planning, and estate planning.

RKM Advisors, Inc. is strictly a fee-only financial planning and 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 an integral part of financial planning. In addition, RKM Advisors, Inc. advises clients regarding cash flow, college planning, retirement planning, tax planning and estate planning.

Investment advice is provided, with the client making the final decision on investment selection. RKM Advisors, Inc. does not act as a custodian of client assets. The client always maintains asset control. RKM Advisors, Inc. places trades for clients under a limited power of attorney.

A written evaluation of each client's initial situation is provided to the client, often in the form of an investment review including a table of assets and asset allocation reports.

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 for the first 30 minutes 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

Richard K. May is a 95% stockholder. Vanessa L. Geiger is a 5% stockholder.

Types of Advisory Services

RKM Advisors, Inc. provides investment supervisory services, also known as asset management services; manages investment advisory accounts not involving investment supervisory services; furnishes investment advice; and

issues, charts, graphs, or other devices which clients may use to evaluate securities.

On more than an occasional basis, RKM Advisors, Inc. 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 06/30/12, RKM Advisors, Inc. manages approximately \$204,619,470 in assets for approximately 190 clients. Approximately \$967,636 is managed on a discretionary basis, and \$204,619,470 is managed on a non-discretionary basis.

Tailored Relationships

The goals and objectives for each client are documented during the initial consultation and placed in their folder. Investment Frequency Letters are created that reflect the frequency of reviews for each client. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without client consent.

Financial Planning

A financial plan is designed to help the client with all aspects of financial planning without ongoing investment management after the financial plan is completed.

The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations.

Detailed investment advice and specific recommendations are provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client.

Advisory Services

Most clients choose to have RKM Advisors, Inc. manage their assets in order to obtain ongoing in-depth advice and planning. All aspects of the client's financial affairs are reviewed, including those of their children. 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.

An Advisory Service includes: cash flow management; investment management; education planning; retirement planning; estate planning; and tax preparation, as well as the implementation of recommendations within each area.

Asset Management

Assets are invested primarily in no-load mutual funds and exchange-traded funds, usually through discount brokers or fund companies. 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. RKM Advisors, Inc. does not receive any compensation, in any form, from fund companies.

Investments may also include: equities (stocks), commercial paper, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, and mutual funds shares), U. S. government securities, options contracts, and interests in partnerships.

Initial public offerings (IPOs) are not available through RKM Advisors, Inc.

Termination of Agreement

A Client may terminate any agreement at any time by notifying RKM Advisors, Inc. in writing.

RKM Advisors, Inc. may terminate any agreement at any time by notifying the client in writing.

Fees and Compensation

Fee Billing

The minimum annual fee is \$250.00 and is not negotiable.

RKM Advisors, Inc. charges fees on a per hour basis for all clients.

The billing rates are as follows:

Vanessa L. Geiger	\$220.00/hour
Gary S. Hess, CFA	\$220.00/hour
Richard K. May, MBA	\$220.00/hour
Katharine P. Dunlevy, MBA	\$125 to \$200/hour
Julie C. May	\$125.00/hour
Other Affiliated Professionals	\$170 to \$200/hour

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.

Percentage of Assets

RKM Advisors, Inc. does not offer a fee based on percentage of assets for their clients. However, for one employee who works for RKM Advisors, Inc., the company is paid a fee based on percentage of assets, which is passed through and paid to that employee. These fees do not benefit RKM Advisors, Inc., and the clients for whom these fees are being paid are not clients of RKM Advisors, Inc. RKM Advisors, Inc. is used for accounting purposes for these transactions.

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 RKM Advisors, Inc.

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

Past Due Accounts and Termination of Agreement

RKM Advisors, Inc. reserves the right to stop work on any account that is more than 90 days overdue.

Types of Clients

Description

RKM Advisors, Inc. generally provides investment advice to individuals, trusts, estates, or business entities.

Client relationships vary in scope and length of service.

Account Minimums

RKM Advisors, Inc. does not have an account minimum.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

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

Other sources of information that RKM Advisors, Inc. may use include Morningstar Principia mutual fund information, Morningstar Principia stock

information, Morningstar Principia exchange traded stock information, Morningstar Principia closed end fund information, Charles Schwab & Company's "SchwabLink" service, Advisor Intelligence, Valueline online, and the World Wide Web.

Investment Strategies

The primary investment strategy used with client accounts is first a strategic asset allocation which takes into account age, risk tolerance, and any other financial restraints or objectives articulated by the client in consultation. This determines the long term allocation among the four asset classes that we use: Total Bond & Money Market Position, Total US Equity Position, Total World Position, and Real Estate/Alternative/ Special Situation Position. This strategic allocation can change over time as the client gets closer to retirement or if his or her risk profile should change.

Second, we often undertake tactical asset allocation, in which we might from time to time believe that a particular asset class is vulnerable and should be under weighted or perhaps a particular asset class provides an opportunity and should be over weighted in the portfolio.

We use stocks, exchange traded funds, and mutual funds to accomplish this strategic and tactical asset allocation, and will on occasion, with the explicit approval of the client, undertake the use of covered call option contracts, and short term trading to achieve the best total return for clients given the risk profile of the client.

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.

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

Code of Ethics

The employees of RKM Advisors, Inc. 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

RKM Advisors, Inc. 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 RKM Advisors, Inc. Compliance Manual.

Personal Trading

The Chief Compliance Officer of RKM Advisors, Inc. is Vanessa L. Geiger. She reviews all employee trades monthly. Her trades are reviewed by Richard K. May. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

Brokerage Practices

Selecting Brokerage Firms

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

RKM Advisors, Inc. may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, to maintain custody of clients' assets. RKM Advisors, Inc. is an advisor with Schwab. RKM Advisors, Inc. is independently owned and operated and not affiliated with Schwab.

RKM Advisors, Inc. does not receive fees or commissions from any of these arrangements.

Best Execution

Best Execution is the fulfillment of trades in such a manner that the entire trade represents the best interests of the client. RKM Advisors, Inc. does not receive any portion of the trading fees.

Soft Dollars

RKM Advisors, Inc. receives material from Charles Schwab & Company because some client assets are custodied at Schwab. The materials we receive are Market Knowledge Tools, Compliance Newsletters, and Web-based Software. RKM Advisors, Inc. does not pay for these services.

The selection of Charles Schwab & Company as a custodian for clients is not affected by this material.

Order Aggregation

Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit.

Review of Accounts

Periodic Reviews

Account reviews are performed either quarterly, semi-annually, annually or when requested based on the selection made by the client. 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.

Client Referrals and Other Compensation

Incoming Referrals

RKM Advisors, Inc. has been fortunate to receive many 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

RKM Advisors, Inc. does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

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 the table of assets provided by RKM Advisors, Inc.

Table of Assets

Clients are frequently provided table of assets that are generated by RKM Advisors, Inc. The table of assets contains approximations of bank account balances provided by the client, as well as the value of land and hard-to-price real estate. The table of assets are used for long-term financial planning where the exact values of assets are not material to the financial planning tasks.

Investment Discretion

Discretionary Authority for Trading

RKM Advisors, Inc. accepts discretionary authority to manage securities accounts on behalf of clients. RKM Advisors, Inc. 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, RKM Advisors, Inc. 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. RKM Advisors, Inc. 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 trade.

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

RKM Advisors, Inc. does not vote proxies on securities. Clients are expected to vote their own proxies.

When assistance on voting proxies is requested, RKM Advisors, Inc. will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

Financial Information

Financial Condition

RKM Advisors, Inc. 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 RKM Advisors, Inc. 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.

Business Continuity Plan

General

RKM Advisors, Inc. 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, and Internet outage. 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

RKM Advisors, Inc. has hired a CFA who can fulfill Richard K. May's position in the event of Richard K. May's serious disability or death.

Information Security Program

Information Security

RKM Advisors, Inc. maintains an information security program to reduce the risk that your personal and confidential information may be breached.

Privacy Notice

RKM Advisors, Inc. 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 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. 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 are required by law to deliver this Privacy Notice to you annually, in writing.

Brochure Supplement (Part 2B of Form ADV)

Education and Business Standards

RKM Advisors, Inc. requires that advisors in its employ have a Finance degree or at least three years employment with an investment advisory firm; including time worked with RKM Advisors, Inc, and to have successfully completed the Series 65 examination.

VANESSA L. GEIGER

Educational Background:

- Year of Birth: 1978
- Millersville University, B.A.

Business Experience:

- President and Chief Compliance Officer
- Tax Preparation
- Investment Advisory Support

Other Business Activities: None

GARY S. HESS, CFA**Educational Background:**

- Year of Birth: 1962
- Pennsylvania State University, B.S. (Finance) 1985
- Awarded the Chartered Financial Analyst (CFA) charter 1993

Business Experience:

- Investment Advisor
- Financial Consultant
- Insurance
- Long Term Care
- Annuities

Other Business Activities: Gary S. Hess is on the board of directors for the Chester County Opportunities Industrialization Center (OIC). He is also on the financial advisory committee for Paradise Farm Camps.

RICHARD K. MAY, MBA**Educational Background:**

- Year of Birth: 1946
- Princeton University, A.B. (Economics) 1968
- University of Michigan, M.B.A. (Tax and Investment) 1973

Business Experience:

- Investment Advisor
- Tax Accountant
- Financial Consultant

Other Business Activities:

- Richard K. May serves as Vice President of the board of the West Chester Public Library and board member of the West Chester Downtown Foundation. He is also the Treasurer of the Uptown Entertainment Alliance (UEA).
- Richard K. May is the member manager of the West Chester Library, Labor, and Capital LLC, a venture capital and private equity company. The main function of the LLC is to promote business growth and opportunity in the Borough of West Chester. It is not an “investment-related” LLC. It is not a “private fund” as defined under SEC Rule 203(B)(3)-1. Some of our clients have been solicited to invest in the LLC.

KATHARINE P. DUNLEVY, MBA**Educational Background:**

- Year of Birth: 1959
- University of Delaware, B.A. 1983
- Florida Institute of Technology, M.B.A. 1986

Business Experience:

- Payroll and Tax Accounting
- Tax Return Processing
- Administrative Support

Other Business Activities: Katharine P. Dunlevy is on the board of directors for the Brandywine Valley Association.

JULIE C. MAY**Educational Background:**

- Year of Birth: 1949
- Smith College, B.A. (Geology) 1970

Business Experience:

- Payroll and Tax Accounting
- Tax Return Processing
- Administrative Support

Other Business Activities: Julie C. May is involved in the Gilbert & Sullivan society.