

Part 2A of Form ADV: Firm *Brochure*

Item 1 Cover Page

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Registered Investment Adviser
SEC File No: 801-53637
FINRA CRD No: 107461

March 31, 2012

All Registered Investment Advisory firms are required to disclose the following: "Registered" status does not imply any level of skill, training or expertise. This brochure has not been approved by the SEC or any state securities regulatory authority.

Item 2 Material Changes

Belding Financial Resources, Inc. (BFR) last updated the Form ADV on March 31, 2011 which showed assets under management as of December 31, 2010. Since that time, there have been no material changes in the firm's investment process or operational status.

Effective September 19, 2011, Gail Hightower resigned as Administrative Assistant from BFR.

Effective September 19, 2011, Linda Bang assumed the role of Administrative Assistant with BFR.

Effective March 29, 2012, Jordan Mathews assumed responsibilities as Chief Compliance Officer of BFR.

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Belding Financial Resources, Inc.

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Item 4 Advisory Business

Belding Financial Resources, Inc. (BFR) began business in 1997. David H. Belding is the sole shareholder, president and founder and Chief Investment Officer (CIO). Jordan Mathews is the Chief Compliance Officer (CCO).

BFR provides portfolio management/investment advisory services to clients. This may include for some, but not all clients:

1. Establishing and quantifying long-term financial goals;
2. Establishing cash flow management and related savings objectives;
3. Evaluating current and anticipated impact of marginal income tax rates on investment objectives;
4. Evaluating a client's risk tolerance and its impact in determining a compatible asset allocation strategy;
5. Determining existing estate tax exposure and related liquidity issues affecting investment vehicles as well as the effect of taxes on wealth transfer goals;
6. Making recommendations concerning various lifetime gifting options and evaluating those options in light of the client's will and other estate planning documents; and
7. Addressing coordination of professionals to be engaged by the client to implement the client's financial plan.

BFR does not sell products or provide services other than investment advice to our advisory clients. We are not actively engaged in any other business. We do not represent ourselves as specializing in a particular service.

100% of client assets are currently managed on a discretionary basis; i.e., BFR has ongoing responsibility to recommend and arrange purchases and sales of securities for a client. As of December 31, 2011, BFR managed \$52,210,795.00 of client assets.

Item 5 Fees and Compensation

Belding Financial Resources, Inc. (BFR) fees for investment advisory services are billed quarterly in advance and based on an annual percentage of the market value of assets under management. The initial first year minimum is usually \$10,000. The stock/option/mutual fund/cash component of the portfolio will be billed at the annual rates and in the tiers specified below:

Assets Under Management	Annual Fee
\$0 to \$1,000,000	1.00%
\$1,000,000-2,000,000	0.80%
\$2,000,000-3,000,000	0.65%
\$3,000,000+	0.50%

If an account holds individual fixed income securities, that portion of the portfolio value will be billed at an annual rate of 0.25%.

All securities in the investment account will be valued at their closing sales prices as of the end of the last trading day of the previous calendar quarter in calculating the quarterly advisory fee. If an investment advisory agreement becomes effective partway through a calendar quarter, fees will be prorated for the remainder of the quarter. All fees are negotiable, and therefore BFR's fees and method of calculating fees may vary from client to client. BFR may adjust its fees upon the provision of thirty days' written notice to the client.

BFR sends invoices to clients showing the market value of the client's portfolio on the last trading day of the previous calendar quarter, the annual percentage(s) used to calculate the management fee billed at each tier and the fee that will be deducted from the client's account.

A client may terminate the investment advisory agreement within five business days of its inception without incurring any fees or penalties. Otherwise, either party to the investment advisory agreement may terminate it upon providing ten days' written notice. Unearned fees, less any related administrative costs, will be returned to the client promptly either by check or by refund directly to the client account.

BFR's fees are in addition to the management fee and other expenses paid by any investment company, exchange-traded fund, mutual fund or money market fund in which a client's funds are invested. BFR's fees do not include any bank, brokerage or custodian fees, margin interest, national securities exchange fees, wire transfer fees or other costs or fees associated with securities transactions or required by law. Neither BFR nor its employees receive compensation attributable to securities sales, such as brokerage commissions.

BFR is available to assist certain clients with the implementation of various financial planning strategies. Fees for these services will be determined on a case-by-case basis. The amount of the fee will depend on the nature of the engagement.

Item 6 *Performance-Based Fees* and Side-By-Side Management

In unusual circumstances, Belding Financial Resources, Inc. (BFR) may agree to provide investment advisory services for a performance-based fee for eligible clients as defined by the SEC's interpretation of regulatory requirements under the Investment Advisor's Act of 1940.

However, BFR is not a side-by-side manager. Side-by-side management is where the same fund manager simultaneously manages mutual funds and hedge funds.

Item 7 Types of *Clients*

Belding Financial Resources, Inc. (BFR) generally provides investment advice to individuals, including high net worth individuals, pension and profit-sharing plans, trusts, estates, charitable organizations and corporations.

BFR's desired minimum value for opening an account is \$1,000,000; however, this minimum may be waived in certain circumstances. For example, BFR, in its discretion, may waive its usual \$1,000,000 minimum value in order to accommodate accounts of an existing client's minor children.

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

Belding Financial Resources, Inc. (BFR) utilizes the following types of security analysis methods: charting, fundamental, technical and cyclical.

BFR uses the following to assess investment opportunities and monitor existing holdings: financial newspapers, modeling, professional journals, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the SEC and company press releases.

The investment strategies used to implement any investment advice given to clients may include long term purchases (securities held at least a year), short term purchases (securities sold within a year), trading (securities sold within 30 days), short sales, margin transactions and option writing.

To address risk exposure, BFR rarely includes individual stocks or bonds in the core holding asset mix. This eliminates “company specific” risk events associated with negative earnings surprises or downward credit rating adjustments. Targeted exposure in both the equity and fixed income area is achieved through select exchange-traded funds or institutional mutual funds where appropriate.

When an existing client makes a specific request, BFR may agree to evaluate investment factors associated with certain private equity investment securities. This type of investment is not part of BFR’s core investment holdings.

Item 9 Disciplinary Information

Belding Financial Resources, Inc.

No disciplinary action has been taken.

Item 10 Other Financial Industry Activities and Affiliations

Belding Financial Resources, Inc.

Not Applicable.

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

Belding Financial Resources, Inc.'s (BFR) Code of Ethics requires that all personnel, by virtue of accepting employment with Belding Financial Resources, Inc. ("firm"), agree to read and abide by the principles and standards embodied therein and additionally the firm's Compliance Manual. Each supervised person, including directors, officers, partners and employees, as well as any person who provides investment advice to clients on behalf of the firm and is subject to the firm's supervision and control, will be provided with a copy of the Code of Ethics and any amendments subsequently made thereto. All such personnel will be required to acknowledge, in writing, receipt of these BFR documents.

Standards of Conduct and Compliance with Laws: This Code of Ethics ("Code") sets forth standards of conduct expected of all personnel of the firm, which has a fiduciary duty to its clients. The major objectives of this Code are to ensure all firm personnel serve the interests of the firm's clients and to ensure clients' interests are consistently put first. All personal securities transactions of BFR supervised personnel should be conducted in a matter consistent with the Code, to avoid any actual or potential conflict of interest, or any abuse of an employee's position of trust and responsibility (to eliminate front-running or scalping). Personnel should not take inappropriate advantage of their positions (IPOs or private placements). Information concerning the identity of securities holdings and financial circumstances of clients is highly confidential. Advisory personnel must comply with all federal securities laws applicable to the conduct of registered investment advisory firms as proscribed within the Securities and Exchange Commission's regulatory purview.

Personal trading by firm personnel: Advisers' "access persons" must report personal securities holdings and transactions, including those in affiliated mutual funds, to the Chief Compliance Officer ("CCO") and obtain pre-approval of certain investments, including IPOs and private placements. An access person is a supervised person who has access to nonpublic information regarding clients' purchase or sale of securities, is involved in making securities recommendations to clients, or who has access to such recommendations that are nonpublic and is presumed to be a beneficial owner of securities that are held by his or her immediate family members sharing the access person's household. A supervised person who has access to nonpublic information regarding the portfolio holdings of affiliated mutual funds is also an access person.

A complete report of each access person's securities holdings must be submitted at the time the person becomes an access person and at least once a year thereafter. The holding reports must be current as of a date no more than 45 days prior to the individual becoming an access person (initial report) or the date the report is submitted (annual report). Quarterly reports of all personal securities transactions by access persons are due and reportable to BFR's COO no later than 30 days after the close of the calendar quarter, unless the subject portfolio is included within the "BFR client master umbrella" at a third-party asset custodian. In such instance the subject portfolio is made available to BFR's COO on a continuous immediate access basis during the normal course of business at BFR.

The firm's CCO will review all of the above reports in order to identify improper trades or patterns of trading by access persons.

Recordkeeping requirement: Copies of the Code of Ethics and records relating to it must be kept. These include records of violations of the Code and actions taken as a result of the violations, and copies of supervised persons' written acknowledgment of receipt of the code.

Client disclosure requirements under Part II of Form ADV: Advisor must describe their Code of Ethics to clients and, upon request, furnish clients with a copy of the Code of Ethics.

Reporting Violations: Prompt internal reporting of any violations of this Code should be reported to the CCO.

Participation or Interest in Client Transactions: BFR or a related person may buy or sell securities for their own accounts that the firm also recommends to clients. These securities are publicly traded, and it is highly unlikely that these transactions could affect the price or performance of the securities. Nevertheless, it is BFR's policy that neither the firm nor any of its related persons may trade in any security, except for inclusion in block trades, at the same time there is an open order pending in the same security for a BFR client. All of BFR's employees are required to submit their personal trading records quarterly to Mr. Belding for his review to ensure compliance with this policy.

BFR has adopted a code of ethics that emphasizes the firm's fiduciary duty to its clients. A copy of the code of ethics will be provided to clients or prospective clients upon request.

Item 12 Brokerage Practices

In selecting brokers, Belding Financial Resources, Inc. (BFR) considers the range and quality of the products the broker offers, the technical support the broker provides, the broker's execution capability, the commissions to be paid, the financial responsibility of the broker, and the responsiveness of the broker to BFR. In no case does BFR receive a commission from any brokerage firm.

Clients may pay commissions higher than those obtainable from other brokers in return for the value of the research services provided by a specific broker. Research received from brokers and dealers may be used to service all of BFR's accounts.

Section 28(e) of the Securities Exchange Act of 1934 provides a safe harbor that protects the investment advisor from any allegations that the advisor violated any law or fiduciary duty either by paying more than the lowest commission or by using brokerage from one client's transaction to pay for research that benefits others of the adviser's accounts.

The services acquired must be either brokerage or research and must be provided by a broker-dealer in return for brokerage commissions. These services must be based upon the advisor's "good faith" determination that the commissions were reasonable in relation to the services provided. The controlling principle to determine whether particular services constitute 'research' is whether it provides lawful and appropriate assistance to BFR in the performance of its investment decision-making responsibilities.

Throughout the firm's history, BFR has maintained institutional "prime broker" trading relationships with several Wall Street brokerage firms to provide trade execution as distinguished from client asset custody. By virtue of using these brokerage firms for periodic trade execution, BFR has access to the brokerage firm's research services, equity and economic strategists, opinions and may attend institutional investment research conferences which address various economic and market forces that impact BFR's investment strategy.

BFR may create a prime broker trade execution relationship that involves establishing a research credit arrangement. This so-called, "soft dollar" account has a formula that takes a percentage of each commission dollar and segregates the dollar amount into a research pool that BFR can utilize to instruct the broker to spend for specific research services. The services are intended to be on an institutional scale.

BFR's personnel, from time to time, attend various research conferences sponsored by broker dealer firms through which it executes securities trades on behalf of its clients. The sponsors of most of these conferences waive attendance fees for invited participants, such as BFR, who represent registered investment advisory firms with which the conference sponsor has an institutional trading relationship.

BFR 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 and to effect trades for their accounts. BFR is independently owned and operated and not affiliated with Schwab. Schwab provides BFR with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$25 million of the advisor's clients' assets are maintained in accounts at Schwab Institutional, and are not otherwise contingent upon Advisor committing to Schwab any specific amount of business (assets in custody or trading). Schwab's services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For BFR's client accounts maintained in its custody, Schwab generally does not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts. Schwab also makes available to BFR other products and services that benefit BFR but may not benefit its clients' accounts. Some of these other products and services assist BFR in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of BFR's fees from its clients' accounts, and assist with back-office functions, recordkeeping and client reporting.

Many of these services generally may be used to service all or a substantial number of BFR's accounts, including accounts not maintained at Schwab Institutional. Schwab Institutional also makes available to BFR other services intended to help BFR manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services rendered to BFR by independent third parties. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of

the fees of a third-party providing these services to BFR. While as a fiduciary, BFR endeavors to act in its clients' best interests, BFR's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to BFR of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

Item 13 Review of Accounts

Belding Financial Resources, Inc.

David Belding, the firm's Chief Investment Officer (CIO), is responsible for review and management of all portfolio matters conducted on behalf of all firm clients. He has designed various trading models that represent variations of the firm's core risk management strategy. Each client portfolio is assigned to a specific model by the CIO to facilitate trading and portfolio monitoring. Each model has a target percentage concentration in each respective security within the model including a cash reserve. By monitoring model performance from the "top down", the CIO oversees each client's investment performance on a regular recurring basis. The majority of trading decisions are executed at the model level, and accordingly, all clients linked to the model are impacted uniformly as adjustments are made to the core holdings.

Clients receive a quarterly reporting package from the firm. Historically this package has included five separate reports reflecting portfolio activity for the quarter including a cumulative investment performance summary, net of firm fees. The asset custodian, Schwab Institutional, provides each client a monthly report that summarizes all portfolio activity.

Item 14 *Client Referrals and Other Compensation*

Belding Financial Resources, Inc.

Not Applicable.

Item 15 *Custody*

Belding Financial Resources, Inc. does not have custody of client assets.

Item 16 Investment Discretion

Belding Financial Resources, Inc. (BFR) has 100% discretionary authority over client accounts.

The investment advisory agreement between BFR and the client allows for any mutually agreeable limitations on BFR's discretionary authority to determine the securities to be bought or sold for the client's account or the amounts of securities to be bought and sold.

Item 17 Voting *Client* Securities

If requested by our client, Belding Financial Resources, Inc. (BFR) shall vote proxies related to securities held by our clients for which we serve as the investment adviser in the best interest of our clients. All references in these Proxy Voting Policies and Procedures are limited solely to clients for which we have agreed to vote such proxies. A client may reserve their right to vote proxies.

BFR's authority to vote the proxies of clients is established by the signed Investment Advisory Agreement. In addition to requirements of the Securities and Exchange Commission (SEC) governing advisers, our proxy voting policies reflect the fiduciary standards and responsibilities for ERISA accounts.

The Investment Advisers Act of 1940, as amended (Advisers Act), requires us to act solely in the best interest of our clients at all times. We have adopted and implemented these Proxy Voting Policies and Procedures, which we believe are reasonably designed to ensure that proxies are voted in the best interest of our clients, in accordance with our fiduciary duties and Rule 206(4)-6 under the Advisers Act.

Reflecting a basic investment philosophy that good management is shareholder focused, proxy votes will generally be cast in support of management on routine corporate matters and in support of any management proposal that is plainly in the interest of all shareholders. Specifically, proxy votes generally will be cast in favor of proposals that:

- maintain or strengthen the shared interests of stockholders and management;
- increase shareholder value; and
- maintain or increase shareholder rights generally.

Proxy votes will generally be cast against proposals having the opposite effect of the above. Where we perceive that a management proposal, if approved, would tend to limit or reduce the market value of the company's securities, we will generally vote against it. We believe that means for ensuring management accountability to shareholders, in the rare cases where is threatened, must not be compromised.

We generally support shareholder rights and recapitalization measures undertaken unilaterally by boards of directors properly exercising their responsibilities and authority, unless such measures could have the effect of reducing shareholder rights or potential shareholder value. In cases where shareholder proposals challenge such actions, our voting position will generally favor not interfering with the directors' proper function in the interest of all shareholders.

We believe that proposals addressing strictly social or political issues are immaterial to the goal of maximizing the return on funds under our management. We will generally vote against such proposals, but will consider supporting proposals that seek to protect shareholder rights or minimize risks to shareholder value.

We (and our employees) shall vote in a prudent and timely fashion, only after careful evaluation of the issue(s) presented on the ballot.

We review proxies to assess the extent, if any, to which there may be a material conflict between the interests of our clients on the one hand and our interests (including those of our affiliates, directors, officers, employees and other similar persons) on the other hand (a "potential conflict"). If we determine that a potential conflict may exist, it shall be resolved in the best interest of our clients who are directly affected in any of the following manners:

- If the proposal that is the subject of the proposed conflict is specifically addressed in these Proxy Voting Policies and Procedures, we may vote the proxy in accordance with such pre-determined policies and guidelines; provided that such pre-determined policy involves little discretion on our part;
- We may engage an independent third-party to determine how the proxy should be voted; or
- We may establish an ethical wall or other informational barriers between the person(s) that are involved in the potential conflict and the person(s) making the voting decision in order to insulate the potential conflict from the decision maker.

We will use commercially reasonable efforts to determine whether a potential conflict may exist.

We may abstain from voting a client proxy if we conclude that the effect on shareholders' economic interests or the value of the portfolio holding is indeterminable or insignificant. We may abstain from voting a client proxy for cost reasons (e.g., costs associated with voting proxies of non-U.S. securities). In accordance with our fiduciary duties, we will weigh the costs and benefits of voting proxy proposals and make an informed decision with respect to whether voting a given proxy proposal is prudent. Our decision takes into account the effect that the vote of our clients, either by itself or together with other votes, is expected to have on the value of our client's investment and whether this expected effect would outweigh the cost of voting.

Unless otherwise directed by a client in writing, we are responsible for voting all proxies related to securities that we manage for clients with respect to which we have accepted proxy-voting responsibility in writing. A client may from time to time direct us in writing to vote proxies in a manner that is different from the guidelines set forth in these Proxy Voting Policies and Procedures. We will follow such written direction for proxies received after our receipt of such written direction.

We shall maintain certain records required by applicable law in connection with proxy voting activities and shall provide proxy-voting information to a client for which we are responsible for voting proxies upon written request. Clients should contact our Client Administrator to make such a request.

Our Proxy Voting Procedures and Policy will be reviewed annually. The Chief Investment Officer of the firm will review present procedures and past decisions with the aim of developing the most coherent and understandable proxy voting policy possible. We believe that a careful and continually evolving policy is indispensable to the task of discharging our fiduciary duties as an investment adviser.

Item 18 Financial Information

Belding Financial Resources, Inc.

Not Applicable.

Item 19 Requirements for State-Registered Advisers

David H. Belding is the sole shareholder, president and founder and Chief Investment Officer (CIO) of Belding Financial Resources, Inc. He received a BBA in Accounting from the University of Texas at Austin in 1972 and attended the Graduate School of Business there from 1972-1973. He began his business career in 1973 in Houston as a practicing CPA. He became a partner at the accounting firm of Ernst & Young in 1985 until 1993 when he became a founding principal of Piedra Capital, Ltd., an investment advisory firm. In 1997, he started Belding Financial Resources, Inc.