

Financial Management Advisors, Inc. Firm Brochure - Form ADV Part 2A

This brochure provides information about the qualifications and business practices of Financial Management Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at (703) 255-9533 or by email at: haidinger@fmaofva.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 Financial Management Advisors, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. Financial Management Advisors, Inc.'s CRD number is: 107917

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Registration does not imply a certain level of skill or training.

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Item 2: Material Changes

Financial Management Advisors, Inc. has transitioned from SEC to State registration since the previous annual amendment filing.

Item 3: Table of Contents

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Item 4: Advisory Business

A. Description of the Advisory Firm

Financial Management Advisors, Inc. is a Corporation organized in the Commonwealth of Virginia.

This firm has been in business since September of 1991, and the principal owner is Sandra Haidinger.

B. Types of Advisory Services

Financial Management Advisors, Inc. (hereinafter "FMA") offers the following services to advisory clients:

Investment Supervisory Services

FMA offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. FMA creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan (the Investment Policy Statement) to aid in the selection of a portfolio that matches each client's specific situation. Investment Supervisory Services include, but are not limited to, the following:

- | | |
|-----------------------|--------------------------------|
| • Investment strategy | • Personal investment policy |
| • Asset allocation | • Asset selection |
| • Risk tolerance | • Regular portfolio monitoring |

FMA evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. FMA will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

Financial Planning

FMA provides general financial planning advice on a consulting basis. The client receives a written summary of FMA's recommendations generally concerning retirement, education, and savings. These services are based on hourly fees and the final fee structure is documented in Exhibit II of the Financial Planning Agreement.

Services Limited to Specific Types of Investments

FMA generally limits its investment advice and/or money management to mutual funds, equities, bonds, fixed income, ETFs, REITs, and government securities. FMA may use other securities as well to help diversify a portfolio when applicable.

C. Client Tailored Services and Client Imposed Restrictions

FMA offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent FMA from properly servicing the client account, or if the restrictions would require FMA to deviate from its standard suite of services, FMA reserves the right to end the relationship.

D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. FMA does not participate in any wrap fee programs.

E. Amounts Under Management

FMA has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$32,268,556.00	\$9,335,258.00	03/14/2012

Item 5: Fees and Compensation

A. Fee Schedule

Investment Supervisory Services Fees

Total Assets Under Management	Annual Fee
First \$1,000,000	1.00%
Over \$1,000,000	0.50% - 0.75%

These fees are negotiable depending upon the needs of the client and complexity of the situation, and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid quarterly in advance, and clients may terminate their contracts with thirty days' written notice. Advisory fees are withdrawn directly from the client's accounts with client written authorization.

Refunds are given on a prorated basis, based on the number of days remaining in a quarter at the point of termination. Fees that are collected in advance will be refunded based on the prorated amount of work completed up to the day of termination within the quarter terminated. The fee refunded will be the balance of the fees collected in advance minus the daily rate* times the number of days in the quarter up to and including the day of termination. (*The daily rate is calculated by dividing the quarterly AUM fee by the number of days in the termination quarter). Clients may terminate their contracts without penalty, for full refund, within 5 business days of signing the advisory contract.

Financial Planning Fees

Hourly Fees

The hourly fee for these services is \$150. The fees are negotiable and the final fee schedule will be attached as Exhibit II of the Financial Planning Agreement. Fees are paid in arrears upon completion. Because fees are charged in arrears, no refund is necessary. Clients may terminate their contracts without penalty within five business days of signing the advisory contract.

B. Payment of Fees

Payment of Investment Supervisory Fees

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid quarterly in advance. Advisory fees may also be invoiced and billed directly to the client with payments due quarterly in advance. Clients may select the method in which they are billed.

Payment of Financial Planning Fees

Hourly Financial Planning fees are paid via check or credit card in arrears upon completion. Because fees are charged in arrears, no refund is necessary.

C. Clients Are Responsible For Third Party Fees

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by FMA. Please see Item 12 of this brochure regarding broker/custodian.

D. Prepayment of Fees

FMA collects fees in advance and in arrears. Fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination and the total days during the billing period. Fees will be returned within fourteen days to the client via check.

The fee refunded will be the balance of the fees collected in advance minus the daily rate* times the number of days in the quarter up to and including the day of termination. (*The daily rate is calculated by dividing the quarterly AUM fee by the number of days in the termination quarter).

E. Outside Compensation For the Sale of Securities to Clients

Neither FMA nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

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

FMA does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7: Types of Clients

FMA generally provides investment advice and/or management supervisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals

Minimum Account Size

There is no account minimum.

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

A. Methods of Analysis and Investment Strategies

Methods of Analysis

FMA's method of analysis includes fundamental analysis

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Investment Strategies

FMA uses long term trading and short term trading strategies.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved

Methods of Analysis

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Investment Strategies

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short term trading generally holds greater risk and clients should be aware that there is a material risk of loss using any of those strategies.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized

FMA generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets.

Mutual Funds: Investing in mutual funds carries the risk of capital loss. Mutual funds are not guaranteed or insured by the FDIC or any other government agency. You can lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond “fixed income” nature (lower risk) or stock “equity” nature (mentioned above).

Equity investment generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

Treasury Inflation Protected/Inflation Linked Bonds: The Risk of default on these bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal.

Fixed Income is an investment that guarantees fixed periodic payments in the future that may involve economic risks such as inflationary risk, interest rate risk, default risk, repayment of principal risk, etc.

Debt securities carry risks such as the possibility of default on the principal, fluctuation in interest rates, and counterparties being unable to meet obligations.

Stocks & Exchange Traded Funds (ETF): Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.

REITs have specific risks including valuation due to cash flows, dividends paid in stock rather than cash, and the payment of debt resulting in dilution of shares.

Precious Metal ETFs (Gold, Silver, Palladium Bullion backed “electronic shares” not physical metal): Investing in precious metal ETFs carries the risk of capital loss.

Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various other types of risk that will typically surface at various intervals during the time the client owns the

investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Short term trading risks include liquidity, economic stability and inflation.

Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Neither FMA nor its representatives are registered as or have pending applications to become a broker/dealer or as representatives of a broker/dealer.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither FMA nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Neither FMA nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

FMA does not utilize nor select other advisers or third party managers. All assets are managed by FMA management.

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

A. Code of Ethics

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

FMA does not recommend that clients buy or sell any security in which a related person to FMA or FMA has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of FMA may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of FMA to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. FMA will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of FMA may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of FMA to buy or sell securities before or after recommending securities to clients

resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. FMA will always transact client's transactions before its own when similar securities are being bought or sold.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

The Custodian, Schwab Institutional, a division of Charles Schwab & Co., Inc., (CRD # 5393), was chosen based on their relatively low transaction fees and access to mutual funds and ETFs. FMA will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

1. *Research and Other Soft-Dollar Benefits*

FMA receives research, products, or other services from its broker/dealer or another third-party in connection with client securities transactions ("soft dollar benefits"). There is no minimum client number or dollar number that FMA must meet in order to receive free research from the custodian or broker/dealer. There is no incentive for FMA to direct clients to this particular broker-dealer over other broker-dealers who offer the same services. However, because this firm does not have to produce or pay for services or products it has an incentive to choose a custodian that provides those services based on its interests rather than the clients' interests. The first consideration when recommending broker/dealers to clients is best execution. FMA always acts in the best interest of the client.

- a. When using client brokerage commissions (or markups or markdowns) to obtain research or other products or services, FMA receives a benefit because it does not have to produce or pay for the research, products or services.
- b. FMA may have an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than its clients' interest in receiving most favorable execution.
- c. FMA does not cause clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits.
- d. Soft dollar benefits are used to service all client accounts. FMA allocates soft dollar to client accounts proportionately to the soft dollar credits the account generates.

2. *Brokerage for Client Referrals*

FMA receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

FMA allows clients to direct brokerage. FMA may be unable to achieve most favorable execution of client transactions if clients choose to direct brokerage. This may cost clients money because without the ability to direct brokerage FMA may not be able to aggregate orders to reduce transactions costs resulting in higher brokerage commissions and less favorable prices. Not all investment advisers allow their clients to direct brokerage.

B. Aggregating (Block) Trading for Multiple Client Accounts

FMA maintains the ability to block trade purchases across accounts, but will rarely do so. Block trading may benefit a large group of clients by providing FMA the ability to purchase larger blocks resulting in smaller transaction costs to the client. Declining to block trade can cause more expensive trades for clients.

Item 13: Reviews of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

Client accounts are reviewed at least monthly only by Sandra Haidinger, President. Sandra Haidinger is the chief advisor and is instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at FMA are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Sandra Haidinger, President. There is only one level of review and that is the total review conducted to create the financial plan.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

C. Content and Frequency of Regular Reports Provided to Clients

Each client will receive at least quarterly from the custodian, a written report that details the client's account including assets held and asset value which will come from the custodian.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

FMA does not receive any economic benefit, directly or indirectly from any third party for advice rendered to FMA clients.

B. Compensation to Non - Advisory Personnel for Client Referrals

FMA does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

Item 15: Custody

FMA, with client written authority, has limited custody of client's assets through direct fee deduction of FMA's Fees only. If the client chooses to be billed directly by Schwab Institutional, a division of Charles Schwab & Co., Inc., (CRD # 5393), FMA would have constructive custody over that account and must have written authorization from the client to do so. Clients will receive all required account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

Item 16: Investment Discretion

For those client accounts where FMA provides ongoing supervision, the client has given FMA written discretionary authority over the client's accounts with respect to securities to be bought or sold and the amount of securities to be bought or sold. Clients may nevertheless impose restrictions, such as moral and political restrictions or limitations, on the types of investments FMA purchases. However, if these restrictions prevent FMA from properly servicing the client account, or if the restrictions would require FMA to deviate from its standard suite of services, FMA reserves the right to end the relationship.

Item 17: Voting Client Securities (Proxy Voting)

FMA will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 18: Financial Information

A. Balance Sheet

FMA does not require nor solicit prepayment of more than \$500 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither FMA nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

FMA has not been the subject of a bankruptcy petition in the last ten years.

Item 19: Requirements For State Registered Advisers

A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background

FMA currently has only one management person/executive officer; Sandra Haidinger. Sandra Haidinger's education and business background can be found on the Supplemental ADV Part 2B form.

B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)

Sandra Haidinger's other business activities can be found on the Supplemental ADV Part 2B form.

C. How Performance Based Fees are Calculated and Degree of Risk to Clients

FMA does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

D. Material Disciplinary Disclosures for Management Persons of this Firm

No management person at FMA or FMA has been involved in an arbitration claim or been found liable in a civil, self-regulatory organization, or administrative proceeding that is material to the client's evaluation of the firm or its management.

E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)

Neither FMA, nor its management persons, has any relationship or arrangement with issuers of securities.