

BRAVE ASSET MANAGEMENT, INC.
47 SUMMIT AVENUE, SUMMIT, NJ 07901

908-522-8822

MARCH, 2012

This Brochure provides information about the qualifications and business practices of Brave Asset Management, Inc. (“ADVISER” or “BAM”). If you have any questions about the contents of this Brochure, please contact us at 908-522-8822. 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.

BAM is a federally registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Investment Adviser provide you with information about which you determine to hire or retain an Investment Adviser.

MATERIAL CHANGES

The following material changes have been made to this Brochure since March, 2011, the date of the last Brochure:

On page 1, under the Item entitled “Advisory Business”, we have changed the disclosure to state that, as of December 31, 2011, BAM managed \$143,532,856 of its clients’ assets on a discretionary basis and \$4,989,260 of its clients’ assets on a non-discretionary basis.

On pages 3 and 6, we have eliminated the disclosure set forth under the Items entitled “Other Financial Industry Activities and Affiliations” and “Client Referrals and Other Compensation”, respectively, regarding receipt of referral fees from Holland & Company, L.L.C. (“Holland”) since BAM no longer receives such referral fees from Holland. Under the Item entitled “Client Referrals and Other Compensation”, we have inserted that BAM does not currently receive referral fees or other compensation from any third party for client referrals.

Pursuant to the SEC’s Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting T. Brett Haire, Jr. (“Mr. Haire”) at 908-522-8822 or bhaire@braveasset.com.

Additional information about BAM is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with BAM who are registered, or are required to be registered, as investment adviser representatives of BAM.

TABLE OF CONTENTS

MATERIAL CHANGES	ii
TABLE OF CONTENTS.....	iii
ADVISORY BUSINESS	1
FEES AND COMPENSATION.....	1
PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	2
TYPES OF CLIENTS	2
METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	2
DISCIPLINARY INFORMATION	3
OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	3
CODE OF ETHICS.....	3
BROKERAGE PRACTICES	5
REVIEW OF ACCOUNTS	5
CLIENT REFERRALS AND OTHER COMPENSATION	6
CUSTODY	6
INVESTMENT DISCRETION	6
VOTING CLIENT SECURITIES	6
FINANCIAL INFORMATION	7

ADVISORY BUSINESS

BAM is a federally registered investment adviser that provides investment supervisory services to its clients. It is owned by its principals T. Brett Haire, Jr. ("Mr. Haire") and David G. Bunting ("Mr. Bunting") and has been in business since 1992. Clients' investment accounts are managed upon a discretionary basis, and, upon request, a non-discretionary basis.

After a careful review of each client's needs and goals, BAM personalizes the services it offers. Upon first meeting with a new client, BAM will determine that client's risk tolerance. Once so identified, BAM will move forward to build a balanced portfolio of equities and fixed income products which matches the risk profile created. Additionally, some clients may impose restrictions on the investment in certain securities or types of securities. For example, sometimes clients may not wish to invest in certain industry sectors consistent with their personal or political beliefs. BAM's principals explain to each client the elements of the portfolio it develops and will also explain the potential implications of any restrictions imposed by a client.

As of December 31, 2011 BAM managed \$143,532,856.00 of its clients' assets on a discretionary basis and \$4,989,260.00 of its clients' assets on a non-discretionary basis.

FEES AND COMPENSATION

The fee schedule for investment account management services is as follows:

ANNUAL FEE

- 1.00% of first \$1 million of managed asset value, plus
- .80% of next \$4 million of managed asset value, plus
- .60% of managed asset value in excess of \$5 million.

The annual fee is calculated quarterly, representing one-fourth of the annual rate fee, and is based upon the value of managed assets on the last business day of each calendar quarter. The fee is payable at the end of each calendar quarter for which services have been provided. BAM does not accept any prepayment of advisory fees. In the event the assets managed by the Adviser are under management for less than one calendar quarter, BAM's compensation shall be calculated and payable on a pro rata basis.

The advisory fees charged by BAM are negotiable.

For ease of operation, BAM requests permission from clients to deduct appropriate quarterly fees calculated in arrears from their account; however, if a client would prefer to pay by check that form of payment is acceptable, as well.

BAM's fees to its clients are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are all exclusive of and in addition to BAM's fee, and BAM shall not receive any portion of these commissions, fees and costs.

The specific manner in which fees are charged by BAM is established in a client's written agreement with BAM. Management fees shall be prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of *de minimis* contributions and withdrawals).

Upon termination of any account, any earned, unpaid fees will be due and payable.

Regarding brokers' fees compensation, please also refer to the section entitled "Brokerage Practices" below which describes the factors BAM considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

BAM does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

TYPES OF CLIENTS

BAM provides portfolio management services to individuals, high net worth individuals, charitable institutions, foundations, estates and trusts. BAM maintains no established minimum asset requirement for its clients' accounts.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

BAM uses a variety of methods of analysis and investment strategies to formulate its investment advice and manage assets. These methods include charting, fundamental, technical and cyclical analyses.

Strategies used to implement investment advice given to clients may include long term and short term purchases (securities held less than or more than one year), trading securities (securities sold within a year) short sales, margin transactions, writing and buying options.

Generally, BAM discourages the use of leverage in its clients' investment portfolios. The risks of using short sales include the fact that while the possible gains are limited, an adverse price change can mean that an investor loses more than the original value with the potential of no upper limit. Due to risk, BAM uses short sales sparingly, usually to hedge market risk or to arbitrage temporary price distortions. Margin transactions are used by a limited number of clients, often as a source of short term borrowing for specific purposes. The risks of trading securities on margin include the potential loss of more than what the client deposited if the value of the purchased securities decline and there is a forced sale to cover a margin deficiency. Option activity is confined to a small number of client accounts and used with close consultation between BAM and the client regarding the anticipated outcome relative to the funds invested. Writing and buying options entails the risk of the option's value changing over time as the value is impacted by how much the underlying security price moves, how long it takes and the security's volatility.

BAM does not guarantee the future performance of any account or any specific level of performance, or the success of any investment decision or strategy. All investment decisions are subject to various market, currency, economic, political and business risks and investment decisions will not always be profitable. As a client, you are advised that it remains your responsibility to promptly notify us if there is ever any change in your financial situation or investment goals so that BAM's review of your portfolio may be updated in line with your current financial objectives.

Investing in securities involves risk of loss that clients should be prepared to bear.

DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of BAM or the integrity of BAM's management. BAM has no information applicable to this Item.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

BAM has no relevant information to provide for this Item.

CODE OF ETHICS

BAM has adopted a Code of Ethics for all supervised persons of the firm describing its high standards of business conduct, and fiduciary duty to its clients. The Code of Ethics includes, among other things, provisions relating to the confidentiality of client information, a prohibition on insider trading, the reporting of personal securities trading procedures, addresses conflicts which may arise from personal trading by BAM's employees and reminds employees they must abide by federal and state securities laws. All supervised persons at BAM must acknowledge the terms of the Code of Ethics annually, or as amended.

BAM's employees and persons associated with BAM are required to follow BAM's Code of Ethics.

Consistent with clients' investment objectives, BAM may cause accounts over which it has management authority to effect, (and may recommend to clients or prospective clients), the purchase or sale of securities in which BAM, and/or its clients, directly or indirectly, have a position of interest. Subject to following the Code of Ethics, and applicable laws, officers and employees of BAM may trade for their own accounts in securities which are recommended to and/or purchased for BAM's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of BAM's employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Nonetheless, because the Code of Ethics would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between BAM and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with BAM's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. BAM will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained in the order.

Clients will receive priority in execution of orders on those occasions when client and Adviser (or a person related to the Adviser) are active in the security simultaneously. This process is coordinated by the Adviser's officers located at the trading desk who will exercise continual oversight.

BAM's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Mr. Haire.

BAM acts as adviser to clients that include BAM's own members, officers, employees and their respective relatives. With respect to any such clients, BAM may give advice, and take action which may differ from the advice given with respect to a client's account. Adviser shall have no obligation to purchase or sell for a client's account, or to recommend for purchase or sale by a client's account, any security which Adviser, its principals, affiliates or employees may purchase or sell for themselves or for any other clients, however, neither Adviser nor any of its shareholders, directors, officers or employees will act as a principal in connection with transactions involving a client's account without that client's specific prior written approval.

BAM will not effect any principal or agency cross securities transactions for client accounts. Also it will not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account, buys from or sells any security to any advisory client.

BROKERAGE PRACTICES

When BAM has discretionary authority over an account, it has the authority to determine, without obtaining specific client consent, the securities to be bought or sold and the amount of securities to be bought and sold. Adviser may use more than one broker-dealer in executing transactions for its client. Some of these executing brokers may calculate commissions on a “dollar per ticket” basis, whereas, others may use a “cents per share” formula plus a somewhat smaller “dollars per ticket” charge. The factors which Adviser considers in selecting any broker-dealer, and in determining the reasonableness of its commissions, are price, skill in execution, level of service, research and financial responsibility. Although a broker-dealer chosen by Adviser may not charge the lowest commission rates available, Adviser believes that the commission rates charged are fair to its clients, when taking into consideration the factors listed above.

Adviser has the authority to select the broker and agree to that broker’s commission rates, but BAM does so after negotiating for the lowest execution rates it can obtain from that broker. BAM reviews, to the extent practicable, and at least annually, the commission rates charged by other comparable, qualified brokers to determine that the brokerage commissions being paid by BAM’s clients remain competitive with other rates.

BAM has no soft dollar arrangements with any firms and therefore no such costs need to be passed on to clients.

REVIEW OF ACCOUNTS

Customer accounts and the individual investments in customer accounts are regularly monitored and rated (buy, hold, or sell) at least weekly. These reviews are conducted, based upon price targets and other valuation methods, by either, or both, Mr. Bunting and Mr. Haire. Mr. Haire, as the Chief Compliance Officer, also has the specific responsibility of reviewing the holdings and transaction reports regarding the accounts of Adviser’s employees. The reviews of these holdings are done when each employee is first hired, and thereafter, on a quarterly and annual basis.

BAM sends written statements to clients on a quarterly basis, or upon request, a monthly basis. The statements include an inventory and valuation of the investments in the account.

CLIENT REFERRALS AND OTHER COMPENSATION

BAM does not currently receive referral fees or other compensation from any third party for client referrals.

CUSTODY

BAM does not maintain custody of client assets. All client assets are custodied with nationally recognized, SEC-registered and FINRA member broker-dealer/custodians.

Clients should receive at least quarterly statements from the broker dealer, or other qualified custodian, that holds and maintains client's investment assets. BAM urges its clients to carefully review such statements and compare such official custodial records to the account statements that BAM provides to its clients. BAM's statements may sometimes vary from custodial statements based on respective accounting procedures, reporting dates, or valuation methodologies of certain securities, but all inconsistencies should be checked through carefully.

INVESTMENT DISCRETION

BAM usually receives discretionary authority from the client at the outset of an advisory relationship. This authority empowers BAM to select the identity and amount of securities to be bought or sold. In all cases, however, BAM's discretion will be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, BAM observes the client's limitations and restrictions. Investment guidelines and restrictions must be provided to BAM in writing.

VOTING CLIENT SECURITIES

BAM will not vote a client's securities without the client's prior authorization or a valid signed proxy. A client has the option to have BAM vote its securities and may authorize BAM to do so. BAM has adopted and follows proxy voting policies and procedures in compliance with its responsibilities under Rule 206(4).

BAM votes client proxies in the manner it considers to best benefit, and in the best interests of, the client. This means it votes in the way BAM believes is most likely to protect the client and maximize the client's return. Generally, BAM will vote its proxies in accordance with the recommendation of company management but in those instances where BAM decides it should oppose management's recommendation in the best interests of the client, it will cast the votes accordingly and document its reasons.

In the event that there is ever a conflict of interest between BAM and the issue being voted, BAM will notify the client and request direct instructions from the client as to how to cast the vote.

Clients may obtain a copy of BAM's complete proxy voting policies and procedures upon request from Mr. Haire. Clients may also obtain information from BAM about how BAM voted any proxies on their behalf.

FINANCIAL INFORMATION

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about their financial condition depending on how they operate their business. Based upon BAM's business practices, its use of a qualified custodian and its advisory fee procedure, the SEC does not require any disclosure from BAM in this Item. Please be advised that BAM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

David Gardner Bunting
Brave Asset Management, Inc.

47 Summit Avenue,

908-522-8822

March, 2012

This Brochure Supplement provides information about David Gardner Bunting that supplements the Brave Asset Management, Inc. Brochure. You should have received a copy of that Brochure. Please contact T. Brett Haire, Jr. if you did not receive Brave Asset Management Inc.'s Brochure or if you have any questions about the contents of this supplement.

Educational Background and Business Experience

David Gardner Bunting was born in 1942 and received a B.A. degree in Religion from Amherst College, Amherst, Massachusetts. Since 1992 he has been, and continues to be, a principal of Brave Asset Management, Inc. and serves as its chairman/secretary-treasurer.

Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

Other Business Activities

Mr. Bunting is not actively engaged in any investment-related business or occupation, other than his activities on behalf of BAM, as described in BAM's Brochure.

Additional Compensation

Mr. Bunting does not receive any additional compensation for providing advisory services, other than his salary.

Supervision

T. Brett Haire, Jr. is BAM's chief compliance officer and to that end he reviews and administers all compliance procedures. Since Mr. Bunting and Mr. Haire are BAM's only two principals, they work closely together and each serves, in effect, to supervise the other regarding the investment advice given to clients.

T. Brett Haire, Jr.
Brave Asset Management, Inc.

47 Summit Avenue,

908-522-8822

March, 2012

This Brochure Supplement provides information about T. Brett Haire, Jr. that supplements the Brave Asset Management, Inc. Brochure. You should have received a copy of that Brochure. Please contact Mr. Haire if you did not receive Brave Asset Management Inc.'s Brochure or if you have any questions about the contents of this supplement.

Educational Background and Business Experience

Thomas Brett Haire, Jr. was born in 1949 and received a B.S. degree in Business from University of Maryland, College Park, Maryland. Since 1992 he has been, and continues to be, a principal of Brave Asset Management, Inc. and serves as its president and chief compliance officer.

Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

Other Business Activities

Mr. Haire is not actively engaged in any investment-related business or occupation, other than his activities on behalf of BAM, as described in BAM's Brochure.

Additional Compensation

Mr. Haire does not receive any additional compensation for providing advisory services, other than his salary.

Supervision

Mr. Haire is the chief compliance officer and to that end he reviews and administers all compliance procedures. Since David G. Bunting and Mr. Haire are BAM's only two principals, they work closely together and each serves, in effect, to supervise the other regarding the investment advice given to clients.