



*RUSSELL CAPITAL
MANAGEMENT, LLC*

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Lexington, KY 40507

This brochure provides information about the qualifications and business practices of Russell Capital Management. If you have any questions about the contents of this brochure, please contact us at 859-254-5225 or email keith@russcap.com. You may visit our website at www.russellcapitalmangement.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. Russell Capital Management is an SEC Registered Investment Advisor (RIA). SEC registration does not imply any skill sets, exams or experience of the advisor; it is solely a registration process.

Additional information about Russell Capital Management also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 801-56914.

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Item 2 Material Changes

The SEC adopted "Amendments to Form ADV" in July, 2010. This Firm Brochure, dated 09/30/2011, is our new disclosure document prepared according to the SEC's new requirements and rules. As you will see, this document is a narrative that is substantially different in form and content, and includes some new information. After our initial filing of this Brochure, it will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

This brochure does not contain any material changes from the previous brochure.

Consistent with the new 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. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

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Item 4 Advisory Business

Russell Capital Management, LLC (RCM) is a SEC-registered investment adviser with its principal place of business located in Lexington, Kentucky. Russell Capital Management, LLC began conducting business in 2011 as a successor to Russell Capital Management, Inc which began conducting business in 1991.

Listed below are the firm's principal shareholders, those individuals or entities controlling 25% or more of Russell Capital Management, LLC

- Harry Leslie Russell Jr., President/Chief Compliance Officer
- David Glen Dowell, Secretary/Treasurer

Russell Capital Management offers the following advisory services to our clients which are explained in greater detail in the following pages.

INVESTMENT SUPERVISORY SERVICES

- 1) Individual Portfolio Management
- 2) Model Portfolio Management
 - a. The Select Account
 - b. The Flex Account
 - c. Advanced Strategies Account

CONSULTING SERVICES

Consulting services are provided on a one-off basis.

INVESTMENT SUPERVISORY SERVICES

1) INDIVIDUAL PORTFOLIO MANAGEMENT

Our firm provides continuous advice to clients regarding the investment of their funds based on their individual needs. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment risk tolerance and create and manage a portfolio based on that risk. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Certificates of deposit
- Municipal securities
- Variable annuities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities

2) MODEL PORTFOLIO MANAGEMENT

Our firm provides portfolio management services to clients using model asset allocation portfolios. Each model portfolio is designed to meet a particular investment goal and risk tolerance. Russell Capital Management's Modular Portfolio Construction (MPC) method of investment diversification is utilized in the Select Account and Advanced Strategy portfolios. MPC is an investment process which requires several investments in each module.

Select Account Model Portfolio

The Select Account Model is specially designed to suit the unique needs of individual clients through a 5 step investment process.

1) Risk Determination

The amount of risk and volatility that the client is willing to accept in their investments is determined in consultation with the client. RCM assists our clients with this study; among other things, it should include analysis of distribution needs, client's financial situation, anticipated principal withdrawals and additions, and age of the client.

2) Investment Module Design

Investment Modules are designed using Exchange Traded Funds "ETFs" which represent diversified portfolios of securities to track specific indexes; each module contains several ETFs, which creates diversification in style and investment returns. Modules may consist of Growth, Aggressive Growth, Value, Global and Fixed Income. Modules may be designed especially for the client's allocations and requirements.

3) Investment Allocation

After the client's level of risk tolerance is agreed upon and the investment module design is completed, investment allocations are formulated to target risk tolerance with investment allocation mix.

4) Investment Implementation

RCM's experienced staff works with each client to obtain the appropriate account opening and transfer documents for their account at TDAmeritrade. Transfers are expedited by the professional staff at RCM.

5) *Long-Term Monitoring*

Account modules may be rebalanced to maintain the appropriate balance between investments. All investments are continually monitored to assure that they are maintaining their quality of performance.

Advanced Strategies Model Portfolio

The Advanced Strategies portfolio of alternative no-load mutual funds and Exchange Traded Funds should be considered a separate asset class from Fixed Income, Equities, Real Estate, Futures, Metals, Commodities and other investments. True portfolio diversification should include non-correlating asset classes such as the Advanced Strategies portfolio.

The Advanced Strategy portfolio consists of eight independent modules, each of which follows a different investment strategy. There are a maximum of twenty-four alternative investment funds included in the portfolio, which allows for three funds for each module. Periodic rebalancing of the portfolio is necessary for smoother returns.

The Advanced Strategies portfolio consists of alternative mutual funds which attempt to replicate various “hedge fund” strategies and not correlate to the stock, bond, real estate, or commodity markets. The managers of these funds are attempting to provide positive returns in their own strategic models. There are a limited number of mutual funds which fall into the category of alternative funds.

Through diligent research we have assembled the funds that are included in our modules. Constant vigilance keeps our portfolio current and the investments suitable for the various modules.

Flex Account Model Portfolio

The Flex Account consists of several open-end mutual funds. The goal of the model is to follow a Defensive strategy of Income, and Growth. In choosing the included funds Russell Capital Management considers the mutual fund manager's past track record of returns, standard deviation, and added value to their benchmark index. Funds are monitored and researched for replacement by the manager using the Morningstar Advisor platform, Standard and Poor's, and other research providers. The manager alters the allocation of funds in the model based on the manager's outlook for each asset class and investment.

To ensure that our initial determination of an appropriate portfolio remains suitable and that the account continues to be managed in a manner consistent with the client's financial circumstances, we will:

- Be reasonably available to consult with the client.
- Maintain client suitability information in each client's file.

CONSULTING SERVICES

Clients can also receive investment advice on a more focused basis. This may include advice on only an isolated area of concern such as estate planning, retirement planning, or other items related to investments. We also provide specific consultation and administrative services regarding investment and financial concerns of the client.

AMOUNT OF MANAGED ASSETS

As of 12/31/2011 our total client assets under management are \$270,602,000 of which we were actively managing \$233,144,000 on a discretionary basis and \$37,458,000 on a nondiscretionary basis.

Item 5 Fees and Compensation

INVESTMENT SUPERVISORY SERVICES ACCOUNT MANAGEMENT FEES

Our annual fees for Investment Supervisory Services are based upon a percentage of assets under management and generally range from 0.65% to 1.5%.

The annualized fee for Investment Supervisory Services is charged as a percentage of assets under management, according to the following schedule:

Assets Under Management	Annual Fee
Equities	
\$0 - \$500,000	1.5%
\$500,001 - \$1,000,000	1.25%
\$1,000,001 - \$5,000,000	.75%
\$5,000,001 and above	.65%
Fixed Income	
\$0 - \$2,000,000	.75%
\$2,000,001 and above	.65%

A minimum of \$500,000 of assets under management is required for our investment management service.

Limited Negotiability of Advisory Fees and Minimum Account Size:

Although Russell Capital Management has established the aforementioned fee schedule and minimum account size we retain the right to negotiate these items on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule and/or minimum account size which may be altered from our schedule. The complexity of the assets to be placed under management, anticipated additional assets, related accounts, portfolio style, account composition, and special reports which may be required by the client are among the factors considered in the determination of a negotiated fee or account size minimum.

Approval or disapproval for variance from the standard fee and account size is determined upon presentation by the advisor of the circumstances of the variance request to an informal committee composed of at least two officers of RCM.

Discounts, not generally available to our advisory clients, may be offered to family members or associated persons of our firm.

RETIREMENT PLAN PARTICIPANT FEES

RCM is approved to manage investments for retirement plan participants on the CREF and Fidelity Investment retirement platforms of several accredited Universities. The Universities, CREF or Fidelity Investments do not recommend RCM for investment management to their participants. RCM is not affiliated with any of the providers. The CREF and Fidelity platforms provide downloading capabilities to our Portfolio Center Performance Reporting software enabling us to furnish performance and other reporting capabilities to the participant. RCM will provide a recommendation of the CREF or Fidelity retirement platform for the client to use based on the availability of fund investments that correlate with the managed approach utilized. To manage retirement investments on these investment platforms RCM utilizes the Module Portfolio Construction approach of the Select Account process as outlined in this brochure under "MODEL PORTFOLIO MANAGEMENT" Due to the limited and different universe of investment choices available in the plans, the returns realized by the participants may be substantially different from the Select accounts managed at our Custodian Broker or the CREF or Fidelity Investments 403 (b) platforms. The investment plan recommendation for each client is determined by the advisor after consultation with the client. The recommendation is based on the size of the account, the client's risk tolerance or the client's platform preference as determined in the interview process with the participant. Our management fee is debited directly to the client's retirement plan after providing the participant with a fee statement and performance report. RCM investment management fees are in addition to the plan mutual fund investment fees.

The standard RCM fee for management of participant plan assets from either provider is 1.25% of assets under management.

- 1) The management fee may be negotiated higher or lower taking into consideration other investment accounts for the participant aggregated with other family member accounts being managed by RCM, the size of the account, and other factors. Approval or disapproval for variance from the standard fee and account size is determined upon presentation by the advisor of the circumstances of the variance request to an informal committee composed of at least two officers of RCM.

Clients are cautioned that past returns, our investment approach and professional management do not assure success in achieving their desired investment returns.

CONSULTING SERVICES FEES

Russell Capital Management's Consulting Services fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into an agreement with any client.

Our Consulting Services fees are calculated and charged on a fixed fee or hourly basis and are subject to the specific arrangement reached with the client.

The client is billed in arrears based on the aforementioned agreement and may be required to deposit an amount towards the fee arrangement.

GENERAL INFORMATION

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of **7** days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will prorate the reimbursement according to the number of days remaining in the billing period.

Mutual Fund Fees: All fees paid to Russell Capital Management for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided. Russell Capital Management invests in no-load mutual funds for our clients; the custodian broker may have a commission to buy or sell these funds.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers. Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

ERISA Accounts: Russell Capital Management is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation.

To avoid engaging in prohibited transactions, Russell Capital Management may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset Russell Capital Management's advisory fees.

Advisory Fees in General: Clients should note that similar advisory services may be available from other registered investment advisers for similar or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered. Our standard practice is to bill fees in arrears rather than in advance.

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

Russell Capital Management does not charge performance-based fees. The RCM Asset Rotation Fund which charged performance based fees is not accepting new investors and is in the process of being liquidated and the assets being returned to the partners.

Item 7 Types of Clients

Russell Capital Management provides advisory services to the following types of clients:

- Individuals
- High net worth individuals
- Pension and profit sharing plans
- Retirement Plan Participants
- Charitable organizations such as private and public foundations and endowments
- Corporations or other businesses not listed above

As previously disclosed in Item 5, our firm has established certain initial minimum account requirements, based on the nature of the services being provided. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service.

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

METHODS OF ANALYSIS

We may use the following methods of analysis in formulating our investment advice and/or managing client assets:

Charting: In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to attempt to predict how long the trend may last and when that trend might reverse.

Fundamental Analysis: We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company may be under-priced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical Analysis: We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Quantitative Analysis: We use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share.

A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

Qualitative Analysis: We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data.

A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

Asset Allocation: Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Personal Visits: RCM advisors may make occasional personal visits to fund companies which we are considering recommending or have recommended to our clients. The fund companies may pay or reimburse expenses, including travel, lodging, meals and entertainment expenses for Russell Capital Management's personnel to attend due diligence meetings relating to their company or products. We may attend these meetings in order to gather first-hand information with which to evaluate these products in relation to other products, and to meet executives, research analysts and other personnel of the companies, which may be of benefit to our evaluation of the funds for investment. These meetings are usually accompanied by presentations by economists, research analysts and other useful information sources. Our attendance at these meetings does not alter our fiduciary responsibility to the client. Due diligence visits from representatives of fund companies may include luncheon meetings for RCM personnel paid for by the fund company.

Risks for all forms of analysis: Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

INVESTMENT STRATEGIES

We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance and time horizons, among other considerations:

Long-term purchases: We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- We believe the securities to be currently undervalued or the company has long-term growth potential.
- We want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Options: We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset such as a share of stock at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset. Options are complex investments; for further explanation of options strategies the Options Prospectus is available for clients.

The two types of options are calls and puts:

- A call gives the holder the right to buy an asset at a certain price within a specific period of time. We may buy a call if we have determined that the stock may increase substantially before the option expires.
- A put gives the holder the right to sell an asset at a certain price within a specific period of time. We may buy a put if we have determined that the price of the stock may fall before the option expires.

We may use options to speculate on the possibility of an anticipated sharp price swing. We may also use options to "hedge" a purchase of the underlying security.

We may engage in selling covered calls on security positions. In this strategy, the client receives a payment for selling the option; the purchaser of the option has the right to buy the security from the client at an agreed-upon price.

We may implement a "spreading strategy", in which we purchase/sell two or more option contracts: for example, buying and selling a call option for the same underlying security with the ability to vary price, time and other factors to capture time value and market volatility.

Option contracts involve risk and may not be suitable for all investors.

Item 9 Disciplinary Information

Our firm and our management personnel have no reportable disciplinary events to disclose.

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Item 10 Other Financial Industry Activities and Affiliations

Advisory personnel, who are licensed insurance agents, are agents for Russell Capital Insurance Services, Llc, a wholly owned insurance agency subsidiary of Russell Capital Management, Llc. As such, these individuals are able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. Clients, however, are not under any obligation to engage these individuals when considering implementation of insurance product recommendations. The implementation of any or all recommendations is solely at the discretion of the client. Russell Capital Insurance Services, Llc. is incorporated in the state of Kentucky and licensed as an insurance agency by Kentucky.

Most advisory personnel are Series 7 licensed through Comprehensive Asset Management, 2001 Route 46, Suite 506, Parsippany, NJ 07054, a FINRA registered broker/dealer (see Background Information in this document). This dual role may present conflicts of interests due to the commission nature of the security products. The commissions earned from Comprehensive generally are from the purchase of 1) annuities when appropriate to the client's best interests and financial planning; 2) to receive trail commissions from outstanding contracts 3) Insurance Company bundled 401 (k) plans.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Russell Capital Management and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly Securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Russell Capital Management's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

Russell Capital Management and individuals associated with our firm are prohibited from engaging in principal transactions.

Russell Capital Management may, at times, effect an agency cross transaction for an advisory client, provided that the transaction is consistent with our firm's fiduciary duty to the client and that all requirements outlined in Sec. 206(3)-2 of the Investment Advisers Act of 1940 are met.

An agency cross transaction is a transaction where our firm acts as an investment adviser in relation to a transaction in which Russell Capital Management or any person controlled by or under common control with our firm, acts as broker for both the advisory client and for another person on the other side of the transaction. Russell Capital does not markup agency cross transactions or any other types of security transactions. Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our 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.

Our firm and individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related persons may have an interest or position in a certain security which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction being implemented for an advisory account, thereby preventing such employee from benefiting from transactions placed on behalf of advisory accounts.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis.

In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

- No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
- No principal or employee of our firm may buy or sell securities for their personal portfolio where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
- It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
- Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
- We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.

- We have established procedures for the maintenance of all required books and records.
- All clients are fully informed that related persons may receive separate commission compensation when effecting transactions during the implementation process.
- Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
- All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- We require delivery and acknowledgement of the Code of Ethics to each supervised person of our firm.
- We have established policies requiring the reporting of Code of Ethics violations to our senior management.
- Any individual who violates any of the above restrictions may be subject to termination.

As disclosed in the preceding section of this Brochure (Item 10), related persons of our firm are separately registered as securities representatives of a broker-dealer, and may be licensed as insurance agents through our wholly owned insurance agency Russell Capital Insurance Services, LLC.

Please refer to Item 10 and Background Information for a detailed explanation of these relationships and important conflict of interest disclosures.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to keith@russcap.com, or by calling us at 859-254-5225.

Item 12 Brokerage Practices

Russell Capital Management will endeavor to select those brokers or dealers which will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on the broker's stability, reputation, ability to provide professional services, competitive commission rates and prices, research, trading platform, and other services which will help Russell Capital Management in providing investment management services to clients.

Russell Capital Management may, therefore recommend the use of a broker who provides useful research and securities transaction services even though a lower commission may be charged by a broker who offers no research services and minimal securities transaction assistance. Research services may be useful in servicing all our clients, and not all of such research may be useful for the account for which the particular transaction was effected.

Consistent with obtaining best execution for clients, Russell Capital Management may direct brokerage transactions for clients' portfolios to brokers who provide research and execution services to Russell Capital Management and indirectly, to Russell Capital Management's clients. These services are of the type described in Section 28(e) of the Securities Exchange Act of 1934 and are designed to augment our own internal research and investment strategy capabilities. This may be done at our discretion without prior agreement or understanding by the client.

Research services obtained through the use of soft dollars may be developed by brokers to whom brokerage is directed or by third-parties which are compensated by the broker. Russell Capital Management does not attempt to put a specific dollar value on the services rendered or to allocate the relative costs or benefits of those services among clients, believing that the research we receive will help us to fulfill our overall duty to our clients.

Russell Capital Management may not use each particular research service, however, to service each client. As a result, a client may pay brokerage commissions that are used, in part, to purchase research services that are not used to benefit that specific client.

Broker-dealers we select may be paid commissions for effecting transactions for our clients that exceed the amounts other broker-dealers would have charged for effecting these transactions if Russell Capital Management determines in good faith that such amounts are reasonable in relation to the value of the brokerage and/or research services provided by those broker-dealers, viewed either in terms of a particular transaction or our overall duty to our discretionary client accounts.

Certain items obtainable with soft dollars must be used exclusively for either execution or research services. The cost of such "mixed-use" products or services will be fairly allocated and Russell Capital Management makes a good faith effort to determine the percentage of such products or services which may be considered as investment research.

The portions of the costs attributable to non-research usage of such products or services are paid by our firm to the broker-dealer in accordance with the provisions of Section 28(e) of the Securities Exchange Act of 1934.

When Russell Capital Management uses client brokerage commissions to obtain research or brokerage services, we receive a benefit to the extent that Russell Capital Management does not have to produce such products internally or compensate third-parties for the delivery of such services. Therefore, such use of client brokerage commissions results in a conflict of interest, because we have an incentive to direct client brokerage to those brokers who provide research and services we utilize, even if these brokers do not offer the best price or commission rates for our clients.

Russell Capital Management requires that clients provide us with written authority to determine the broker-dealer to use and the commission costs which will be charged to our clients for these transactions.

Clients must include any limitations on this discretionary authority in the written authority statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

Russell Capital Management will execute block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally or on a pro-rated basis between all accounts included in any such block.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. Russell Capital Management's block trading policy and procedures are as follows:

- Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with Russell Capital Management, or our firm's order allocation policy.
- The advisor must determine that the purchase or sale of the particular security involved is appropriate for the clients and consistent with the client's investment objectives and any investment guidelines or restrictions applicable to the client's account.

- The advisor must reasonably believe that the order aggregation will benefit, and will enable Russell Capital Management to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.
- A written order ticket must be completed which identifies each client account participating in the order and the share allocation thereof.
- If the order cannot be executed in full at the same price or time, the securities actually purchased or sold must be allocated by the close of each business day pro rata among the participating client accounts in accordance with the statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.
- Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order. Each client is charged a commission by our custodian broker that is based on the number of transactions and not the dollar amount or number of shares executed.
- If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.
- Russell Capital Management's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.
- Funds and securities for aggregated orders are clearly identified on Russell Capital Management's records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client. No client or account will be favored over another.

Russell Capital Management participates in the Institutional Customer Program offered by TD Ameritrade Institutional a division of TD Ameritrade Inc., member FINRA/SIPC/NFA, an unaffiliated SEC-registered broker-dealer. TD Ameritrade offers services to independent investment advisers which include custody of securities, trade execution, clearance and settlement of transactions. Russell Capital Management receives some benefits from TD Ameritrade through our participation in the program; we recommend TD Ameritrade to our clients for custody and brokerage services.

There is no direct link between our firm's participation in the program and the investment advice we give to our clients, although we receive economic benefits through participation in the program that are typically not available to TD Ameritrade retail investors.

These benefits include the following products and services provided without cost or at a discount:

- duplicate client *statements and* confirmations
- research related products and tools
- consulting services
- access to a trading desk serving adviser participants
- access to block trading which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts
- the ability to have advisory fees deducted directly from client accounts
- access to an electronic communications network for client order entry and account information
- access to mutual funds with no transaction fees and to certain Institutional money managers
- discounts on compliance, marketing, research, technology, and practice management products or services provided to Russell Capital Management by third party vendors.

TD Ameritrade may also pay for business consulting and professional services received by Russell Capital Management's related persons and may also pay or reimburse expenses, including travel, lodging, meals and entertainment expenses for Russell Capital Management's personnel to attend conferences or meetings relating to the program or to TD Ameritrade's adviser custody and brokerage services generally.

Some of the products and services made available by TD Ameritrade through the program may benefit Russell Capital Management but may not benefit our client accounts. These products or services may assist us in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise.

The benefits described above which are received by Russell Capital Management's participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade.

Clients should be aware, however, that the receipt of economic benefits by Russell Capital Management or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

Russell Capital Management also receives from TD Ameritrade certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment advisers participating in the program.

TD Ameritrade provides "Additional Services" in its sole discretion and at its own expense. Specifically Additional Services received from TD Ameritrade include Tamarac performance reporting software. RCM does not reimburse TD Ameritrade for the Additional Services. RCM and TD Ameritrade have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services. TD Ameritrade in the past provided financial assistance for E-Signal quotation services. (See below)

Russell Capital Management's receipt of Additional Services raises potential conflicts of interest. In providing these services to our firm, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, our client accounts maintained with TD Ameritrade.

TD Ameritrade has the right to terminate the Additional Services Addendum with Russell Capital Management, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, we may have an incentive to recommend to our clients that the assets under management by us be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade.

Russell Capital Management's receipt of Additional Services does not diminish our duty to act in the best interests of our clients, including seeking best execution of trades for client accounts.

TD Ameritrade may also have paid for business consulting and professional services received by our related persons. Some of the products and services made available by TD Ameritrade through the program may benefit us but may not benefit our Client accounts. These products or services may assist us in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise.

The benefits received by us or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade.

As part of our fiduciary duties to our clients, we endeavor at all times to put the interests of our clients first.

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Item 13 Review of Accounts

INVESTMENT SUPERVISORY SERVICES

Individual Portfolio Management

Reviews: While the underlying securities within client accounts are continually monitored by the advisor, all client accounts are reviewed at least annually in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, the markets, or the political or economic environment.

Annual reviews are conducted by: Harry L. Russell, Chief Compliance Officer or his designee.

Reports: In addition to the monthly statements and confirmations of transactions which clients receive from their broker-dealer, we provide quarterly reports summarizing account performance for the past quarter, year-to-date and since account inception, account withdrawals and additions, and account balances. Clients should compare these reports with their custodian brokerage statement for accuracy. The official report is always the brokerage statement, although we strive to provide accurate statements to our clients.

Model Portfolio Management

Reviews: While the underlying securities within Model Portfolio Management Services accounts are continually monitored, these models are reviewed at least quarterly in the context of the investment objectives and guidelines of each model portfolio.

These accounts are reviewed by: Harry L. Russell, CCO or his designee.

CONSULTING SERVICES

Reviews: While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Consulting Services clients unless otherwise contracted for. Such reviews will be conducted by the client's investment advisor.

Reports: These client accounts will receive reports as contracted for at the inception of the advisory engagement.

Item 14 Client Referrals and Other Compensation

Our firm may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. The Solicitor is required to provide the prospective client a copy of this document, our Firm Brochure, and a separate disclosure statement which includes the following information:

- The Solicitor's name and relationship with our firm.
- The fact that the Solicitor is being paid a referral fee.
- The amount of the fee which is a percent of the management fee.
- Whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to us by clients referred by solicitors are not increased as a result of any referral. The client could not receive a lower fee by coming directly to us.

It is Russell Capital Management's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients. (See Item 8 Personal Visits Research)

Item 15 Custody

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the custodian broker is advised by Russell Capital Management of the amount of the fee to be deducted from that client's account.

The custodian does not calculate the amount of the fee to be deducted, although fees to be debited that are outside of normal bounds are questioned by the custodian.

On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period. It is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly, or the custodian broker, if they believe there may be an error on their brokerage statement. We urge our clients to carefully review the information provided on these statements to ensure that all account transactions, holdings and values are correct and current. Our firm does not have actual or constructive

custody of any client account or securities.

Item 16 Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also amend such limitations by providing us with written instructions.

Item 17 Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing the custodian broker to forward copies of all proxies and shareholder communications relating to the client's investment assets.

We may provide clients with consulting assistance regarding proxy issues if they contact us with questions.

Item 18 Financial Information

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is likely to impair our ability to meet our contractual obligations. Russell Capital Management has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Russell Capital Management, Llc. or Inc. has not been the subject of a bankruptcy petition at any time during its history.

Background Information

HARRY L. RUSSELL, President born 12/3/42 graduated from University High School, Lexington, KY 1960, majored in Business Administration at Transylvania University and Morehead University (1960-64), graduated from the Wharton School Securities Industry Institute at the University of Pennsylvania (1993). Studied for an MBA in International Wealth Management at Manchester Business School, Manchester University, UK 2005-2011 and graduated with a certificate of Business Administration.

BUSINESS BACKGROUND

Financial Advisor

3/68-12/68	Almstedt Brothers
12/68-6/78	JJB Hilliard, WL Lyons
10/01 – 9/05	Winebrenner Capital Partners, LLC.
8/06 – Present	Comprehensive Asset Management

Financial Advisor/Branch Manager

6/78- 6/79	Blackburn-Sanford Securities Inc.
6/79- 6/86	Dean Witter Reynolds Inc.
6/86- 11/90	J C Bradford and Co.
9/91- 10/01	Financial Asset Management, Inc.

Financial Advisor/Partner/Compliance Officer

11/90 - 9/91	Kerrick, Russell, Ryan, White and Williamson, Inc.
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Investment Advisor

9/91 - Present	President Russell Capital Management, LLC.
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DAVID G. DOWELL, Born 8/9/53, graduated from Pleasure Ridge Park H.S. Louisville KY 1971. Graduated Washington & Lee University, BA German 1975; Graduated Thunderbird School of Global Management, Glendale AZ, MBA Business 1976.

BUSINESS BACKGROUND

Financial Advisor

82 – 89	JJB Hilliard/WL Lyons
6/89 – 7/04	UBS/Paine Webber/J.C. Bradford
7/04 – 9/05	Winebrenner Capital Partners, LLC.
8/06 – Present	Comprehensive Asset Management Investment Advisor

Investment Advisor

7/04 – Present	Russell Capital Management, LLC.
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GARRETT L. HEADLEY, CFP, Born 12/4/54, BS Education, University of Kentucky, 1978; University of Iowa Masters of Arts 1980, College of Financial Planning, CFP 1986

BUSINESS BACKGROUND

Financial Advisor

1983-1993 Prudential Bache Securities
1993 - 11/09 Smith Barney
11/09 - Present Comprehensive Asset Management
1986 - Present Certified Financial Planner (CFP)

Investment Advisor

11/09 – Present Russell Capital Management, LLC.

BRIAN H. MCKEOWN, Born 12/18/46 graduated from St. Mary's Academy, Paducah, KY 1964; The University of Kentucky BA Business Administration 1974.

BUSINESS BACKGROUND:

Financial Advisor

3/86-3/87 Paine Webber
3/87-5/94 Prudential-Bache
5/94-10/01 Financial Asset Management
10/01-9/05 Winebrenner Capital Management, Inc.
8/06 - Present Comprehensive Asset Management

Investment Advisor

1994 – Present Russell Capital Management, LLC.

ANNE ROGERS GREGORY, Born in Asheville, NC 6/28/43. Graduated from Ashley High School, Gastonia, NC 1961, Completed Spanish studies at the University of Guadalajara Mexico 1964. Graduated Converse College Spartanburg SC, BA in Spanish and minor in special education for the hearing impaired.

BUSINESS BACKGROUND:

Director of Marketing and Development

1988 - 1989 Better Business Bureau Central and Eastern Kentucky

Financial Advisor/Vice President Investments

1990 - 2005 UBS/PaineWebber/J.C. Bradford Co.

Financial Advisor

8/06 – Present Comprehensive Asset Management

Investment Advisor

2005 – Present Russell Capital Management, LLC.

CHRISTIAN E. ERICKSON, Born in San Francisco, CA 1/17/1961. Graduated from Scott County High School 1979, Completed B.A. University of Kentucky 1984.

BUSINESS BACKGROUND:

Financial Advisor

12/93—11/00 J.C. Bradford and Company

Financial Advisor

11/00 – 7/09 Smith Barney (Morgan Stanley Smith Barney)

Financial Advisor

8/09 – Present Comprehensive Asset Management

Investment Advisor

8/09 – Present Russell Capital Management, LLC.

KEITH W. DAY, Born in London, KY 11/05/1973. Graduated from Laurel County High School 1991, Completed B.A. University of Kentucky 1995.

BUSINESS BACKGROUND:

Technology VP/Financial Analyst

8/95 – Present Russell Capital Management, LLC.

Investment Advisor

6/08 – Present Russell Capital Management, LLC.

FORD N. LANKFORD, Born 1/19/73, Graduated University of Kentucky, B.A. Business Administration, 1996. Graduated University of Kentucky, M.S. Athletic Administration, 2001. Graduated ABA Nation Trust School, 2005. Designated Accredited Wealth Management Advisor, College for Financial Planning, 2005.

BUSINESS BACKGROUND:

Financial Advisor

6/03 –4/04 American Express Financial Advisors

Portfolio Manager

4/04 – 11/10 PNC Wealth Management

Investment Advisor

11/10 -- Present Russell Capital Management, LLC.

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