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FORM ADV PART 2A. BROCHURE

This brochure provides information about the qualifications and business practices of Financial Management Associates, LLC. If you have any questions about the contents of this brochure, please contact us at 781-934-7880. 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 Associates, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Financial Management Associates, LLC is 109531.

Financial Management Associates, LLC is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Material Changes

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There have been no material changes to our brochure since last year.

Currently, our Brochure may be requested by contacting James M. Morris, Principal at 781-934-7880 or Alan P. Kenney, Principal and Chief Compliance Officer at 978-886-1377. Our Brochure is also available on our web site www.fmallc.com, also free of charge.

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

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Advisory Business

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The U.S. Securities and Exchange Commission granted Financial Management Associates, LLC's registration on November 1, 2000. James M. Morris (CRD Number 705495) is member of the firm and a fifty percent (50%) equity owner. Alan P. Kenney (CRD Number 2017410) is also a member of the firm, and is a fifty percent (50%) equity owner and is the firm's Chief Compliance Officer. The firm is not publicly owned or traded. There are no indirect owners of the firm or intermediaries, which have any ownership interest in the firm. As of December 31, 2011, the firm managed, on a discretionary basis, \$156,498,918.00 which represented 1021 accounts and on a nondiscretionary basis managed \$557,359.00 which represented 1 account. Client assets are managed on an individualized basis. Clients may impose restrictions on their accounts. The firm does not sponsor any wrap fee programs.

Financial Management Associates, LLC offers various planning and consultative services on a variety of financial areas and subjects including but not limited to:

- Portfolio construction and management
- General financial planning
- Insurance, retirement, and estate planning
- Asset allocation recommendations
- General non-securities advice on topics which may include tax planning, budgetary planning, business planning, and/or fringe benefit analysis.

Financial Management Associates, LLC operates through two separate divisions, the J.M. Morris Capital Management Division and the A.P. Kenney Capital Management Division. Asset management services are provided.

Financial Management Associates, LLC tailors its advisory services to clients' individual needs. This is accomplished through an intensive "fact-finding" and risk assessment process. Once all financial information, risk sensitivity, needs, restrictions, goals and objectives are elicited and reviewed by the principals of the firm, the investment advisory process then moves forward, based on an understanding of and an application of the referenced elicited financial information provided by the client.

Fees and Compensation

Form ADV Part 2A, Item 5

ASSET MANAGEMENT SERVICES:

Our fee is based on the market value of the client's account as follows:

Asset Value	Fee
Up to \$500,000	1.25%
\$500,001-\$3,000,000	1.00%
\$3,000,001-\$5,000,000	0.80%
\$5,000,001-\$10,000,000	0.75%

The annual account fee is payable quarterly in advance and is computed as one-quarter of the annual fee, based on the AUM on the last business day of the previous quarter unless the A.P. Kenney Capital Management division is billing, in which case the fee shall be payable semiannually in arrears. All unearned or unapplied fees shall be refunded. All deposits and withdrawals for the A.P. Kenney Capital Management Division of \$50,000 or more shall be pro-rated for that semiannual billing period. Billing will be at June 30 and December 31 each year. In addition, there is a one-time non-refundable administrative fee of \$300 charged to cover time spent at the initial meeting and to also cover additional administrative costs. This fee may on occasion be waived. Financial Management Associates, LLC may reduce management fees depending on the type of investments managed.

REFUND AND TERMINATION PROCEDURES:

The professional relationship may be terminated by applicant or client at will. The applicant (on a prorated basis) shall refund all unapplied fees. Applicant will also impose a service charge of one percent (1%) per month on all outstanding fees which have not been paid by the sixtieth (60th) day following submission of original billing.

PLANNING AND CONSULTING FEES:

Associated Persons of Financial Management Associates, LLC provide financial planning and non-securities advice consistent with the client's financial and tax status, age, risk tolerance and investment objectives. Advice on topics including tax planning, estate planning, business planning, retirement planning, education planning budgeting and cash flow is also available. A fee of between \$50-\$175/hr. is imposed depending on who is providing the advice. (\$50/hr. for administrative, \$150/hr. for professional time, \$175/hr. for principal's time). In addition, a flat fixed fee may be negotiated for certain financial planning services.

Clients who receive advice about mutual funds are always advised that they will, in effect, be paying two levels of fees, i.e., a fee to the applicant and a fee to the fund manager.

All fees are negotiable. In most cases advisory fees are debited directly from client accounts. A few clients are invoiced. Clients may select either method. Clients are herein placed on notice that there will be additional fees assessed such as custodian fees and mutual fund expenses and advisory fees.

Mr. Morris is a registered representative of Commonwealth Financial Network and as such will receive commission income when he sells an investment product. Clients may also be charged asset-based sales charges or service fees from the sale of mutual funds. Since Mr. Morris sells investment products, this practice presents a conflict of interest and gives him an incentive to recommend investment products based on compensation received rather than on the client's needs. Mr. Morris will recommend no-load mutual funds in some cases. Clients have the option to purchase investment products that we recommend through other brokers or agents that are not affiliated with us. More than fifty percent of our revenue is not attributable to commission income. Advisory fees are not reduced to offset commission income.

Performance-Based Fees and Side-By-Side Management

Form ADV Part 2A, Item 6

Financial Management Associates, LLC does not charge performance based fees.

Types of Clients

Form ADV Part 2A, Item 7

Financial Management Associates, LLC will provide services to individuals, pension plans, profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities. Financial Management Associates, LLC does not have any minimum account size requirements.

Methods of Analysis, Investment Strategies and Risk of Loss

Form ADV Part 2A, Item 8

Methods of securities analysis are fundamental analysis and technical analysis.

Investment strategies are long term purchases (securities held at least a year), short term purchases (securities sold within a year), trading (securities sold within 30 days), short sales, margin transactions and option transactions. No strategies employed involve significant or unusual risks.

Investing in securities involves a risk of loss that clients should be prepared to bear. The firm does not primarily recommend a particular type of security.

Disciplinary Information

Form ADV Part 2A, Item 9

None.

Other Financial Industry Activities and Affiliations

Form ADV Part 2A, Item 10

The primary business of Financial Management Associates, LLC is providing investment advisory services to clients.

James Marc Morris and Ron Lague are also registered representatives of Commonwealth Equity Services, Inc., a registered broker/dealer firm. (Commonwealth Equity Services, Inc. has adopted the “doing business as” name of Commonwealth Financial Network.). James M. Morris and Ronald A. Lague are Registered Representatives and Advisory Representatives of Commonwealth. Clients are under no obligation to purchase or sell securities through associated persons. However, if they choose to implement the plan with adviser, commissions may be earned in addition to any fees paid for advisory services. Commissions may be higher or lower at Commonwealth than at other broker/dealers. Messrs. Morris and Lague may have a conflict of interest in having clients purchase securities and/or insurance related products through Commonwealth in that the higher their production with Commonwealth the greater potential for obtaining a higher pay-out on commissions earned. Further, associated persons may be restricted to only offering those products and services that have been reviewed and approved for offering to the public through Commonwealth. Commonwealth is a FINRA registered Broker/Dealer, and is also licensed as a broker/dealer with the states in which Commonwealth or its representatives offer securities to clients. Commonwealth's Registered Representatives may act as the advisory client's representative in the execution of securities transactions on a normal and customary basis. The applicable provisions of Section 206 of the Investment Advisers Act of 1940 are strictly complied within the execution of each transaction.

Alan P. Kenney is not a registered representative with any registered broker/dealer firm.

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

Form ADV Part 2A, Item 11

Advisor has a fiduciary duty to Client to act in the best interest of the Client and always place the Client's interests first and foremost. Advisor takes seriously its compliance and regulatory obligations and requires all staff to comply with such rules and regulations as well as Advisor's policies and procedures. Further, Advisor strives to handle Client's non-public information in such a way to protect information from falling into hands that have no business reason to know such information and provides Client with Advisor's Privacy Policy. As such, Advisor maintains a Code of Ethics for its associated persons, supervised persons and staff. The Code of Ethics contains provisions for standards of business conduct in order to comply with applicable securities laws, personal securities reporting requirements, pre-approval procedures for certain transactions, code violations reporting requirements, and safeguarding of material non-public information about Client transactions. Further, Advisor's Code of Ethics establishes Advisor's expectation for business conduct. A copy of the Code of Ethics will be provided to any Client or prospective Client upon request.

Associated persons may buy or sell securities identical to those securities recommended to clients. Therefore, associated persons may have an interest or position in certain securities that are also recommended and bought or sold to clients. Any such securities transactions are likely to be insignificant in relation to the market as a whole. As a practice the transactions, if any, are executed after related client transactions have been executed. Associated persons will not put their interests before a client's interest and may not trade in such a way as to obtain a better price for themselves than for their clients.

Associated persons may not trade ahead of their clients or trade in such a way as to obtain a better price for themselves than their clients. However, in all cases full disclosure is provided to the client. Advisor is required to maintain a list of all securities holdings for its associated persons. Further, associated persons are prohibited from trading on non-public information or sharing such information. Clients have the right to decline any investment recommendation.

Advisor and its associated persons are required to conduct their securities and investment advisory business in accordance with all applicable Federal and State securities regulations.

Brokerage Practices

Form ADV Part 2A, Item 12

Messrs. Morris and Lague, as registered representatives of Commonwealth are subject to FINRA Conduct Rule 3040 which may restrict such registered individuals from conducting securities transactions away from Commonwealth unless Commonwealth provides the Representative with written authorization.

Messrs. Morris and Lague may suggest that financial planning clients use Commonwealth as the broker/dealer for executing securities transactions. Clients are not obligated to use Commonwealth as the broker/dealer, and are free to use the Broker/Dealer of their choice.

Alan P. Kenney may suggest that clients use Schwab Institutional as the broker/dealer for executing securities transactions. Clients are not obligated to use Schwab Institutional as the qualified custodial firm, and are free to use any custodian or broker/dealer of their choice.

Associated persons who are also Registered Representatives of Commonwealth may receive trail commissions (i.e. 12b-1 fees) for a period of time.

Advisor and/or associated persons may receive benefits such as assistance with conferences and educational meetings from product sponsors. Alan P. Kenney may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Financial Management Associates (Advisor) is independently owned and operated and not affiliated with Schwab. Schwab provides Advisor with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets is maintained in accounts at Schwab Institutional and is not otherwise contingent upon Advisor committing to Schwab any specific amount of business (assets in custody or trading). Schwab's services include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For Advisor's clients' accounts maintained in its custody, Schwab generally does not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Review of Accounts

Form ADV Part 2A, Item 13

Financial plans are prepared for clients who have retained Financial Management Associates, LLC for this purpose. Upon completion of the plan, Financial Management Associates, LLC will meet with every client to review the plan and answer any questions the client may have about the contents of the plan. There are no different levels of review. After this consultation, there are no further reviews unless the client requests additional meetings. Because the investment advisory services are part of the overall financial planning process, partial or complete reviews may be triggered by many factors, i.e., end of fiscal year, availability of funds, inheritance, marriage, business change, investment opportunity, investment performance change, etc. Formal reviews are scheduled at intervals chosen by the client, but occur at least annually. The advisor always supervises such reviews. Our review process includes a review and updating of all relevant information, and the generation of revised reports. Associated persons of Financial Management Associates, LLC are the reviewers for Financial Management Associates, LLC.

Asset management clients receive reports at least semi-annually, unless requested more frequently by the client. Schwab Institutional and National Financial Services, LLC also provide monthly statements. Financial planning clients receive no reports other than those described in 11A. However, the client may, at his or her discretion, choose to implement the financial plan through the associated person's capacity of registered representative. In that event, the client will receive monthly, quarterly, and/or annual statements from investment companies, product sponsors, broker/dealers and/or custodians.

Reviews will be conducted by Alan P. Kenney, member and chief compliance officer, James Marc Morris, member.

Review reports are often written but need not be. The content of the review report is an updated examination and analysis of the client's current situation and how such current situation has changed since the last financial and investment review.

Client Referrals and Other Compensation

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None.

Custody

Form ADV Part 2A, Item 15

None.

Investment Discretion

Form ADV Part 2A, Item 16

Because of the Limited Power of Attorney which advisory clients sign, the advisor will have the authority to determine, without obtaining specific client consent, the securities to be bought or sold and the amount of securities to be bought or sold. This is a limited grant of discretionary authority. Clients have the ability to impose limitations and restrictions on the firm's discretionary power. In practice, this rarely or ever happens.

Voting Client Securities

Form ADV Part 2A, Item 17

The advisor does not vote proxies for any of the assets in the client's account(s). Nonetheless, any client may always request guidance from Messrs. Kenney, Morris and/or Lague, should they have any questions about the voting of proxy statements. A telephone call or email will be a satisfactory way of contacting these individuals, should a client have any questions about proxy statements. Clients will receive proxy statements directly from the qualified custodian. Neither the firm nor Messrs. Kenney, Morris and/or Lague have the authority to vote client securities.

Financial Information

Form ADV Part 2A, Item 18

Financial reporting is not required as: (1) the firm does not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance, (2) does not face any financial condition that is reasonable likely to impair our ability to meet contractual commitments to clients, (3) neither the firm nor Messrs. Kenney, Morris or Lague have ever been the subject of a petition in bankruptcy.

Requirements for State-Registered Advisers

Form ADV Part 2A, Item 19

For Massachusetts Residents: Massachusetts General Laws Section 203A requires disclosure that information about the disciplinary history and the registration of said investment adviser and its associated persons may be obtained by contacting the Public Reference Branch of the Securities and Exchange Commission at (202) 942-8090 or the Massachusetts Securities Division at (617) 727-3548.

Additional Information

None.