

ADV Item I: Cover Page

Garner Financial Management, Inc.

Registered Investment Advisor

3595 Mt. Diablo Blvd., Suite 290

Lafayette, CA 94549

Phone: 925-282-5500

Fax: 925-962-9250

www.GarnerFM.com

June 1, 2012

**FORM ADV PART 2A
BROCHURE**

This brochure provides information about the qualifications and business practices of Garner Financial Management, Inc., a registered investment advisor. If you have any questions about the contents of this brochure, please contact us at 925-282-5500. The information in this brochure has not been approved or verified by the California Department of Corporations.

Additional information about Garner Financial Management, Inc. is also available on the SEC's website at www.Adviserinfo.sec.gov. The IARD/CRD number for Garner Financial Management, Inc., is 131628.

Registration with the California Department of Corporations does not imply a certain level of skill or training.

ADV Item 2: Material Changes

New Brochure Replaces Garner Financial Management, Inc. Form ADV Part II and Schedule F

The Garner Financial Management, Inc. brochure is substantially modified from its prior version, and contains new information for the benefit of our clients.

In this “Summary of Material Changes” we discuss only the material changes since the last annual update of this brochure in July 2011:

(1) Conversion from registration with the Securities and Exchange Commission (“SEC”) to the California Department of Corporations. Investment Advisors that maintain less than \$100 million in client assets under management, may no longer remain registered with the SEC and must register with the state where they are domiciled and in additional states where they conduct business, unless an exemption from registration is available.

(2) Financial Advisor Biography. Also included is the new Form ADV, Part 2B (each individual’s “Financial Advisor Biography”) for each investment advisory representative who directly provides advice to clients. Please refer to the Form ADV, Part 2B Financial Advisor Biography, included as a separate document accompanying this brochure.

(3) Delivery of Amendments to this Brochure. In the past Garner Financial Management, Inc. has offered or delivered information about the firm’s qualifications and business practices to clients on at least an annual basis. The brochure is updated at least annually, in order to ensure that it remains current.

Pursuant to new regulatory rules, Garner Financial Management, Inc. will provide each of its clients with a summary of any material changes for subsequent annual updates to brochures by April 30th of each year. You will be provided with a new Brochure as necessary based on changes or new information, at any time, without charge.

Due to the changes to this brochure, it is suggested that clients review this document, in its entirety, upon receipt. Clients are also encouraged to review this brochure, and any questions they may possess regarding this brochure, with Rob Garner.

Item 3: Table of Contents

Item 1: Cover Page.....	1
Item 2: Material Changes.....	2
Item 3: Table of Contents	3
Item 4: Garner Financial Management Business.....	4
Item 5: Fees and Compensation.....	4
Item 6: Performance-Based Fees and Side-By-Side Management.....	5
Item 7: Types of Clients.....	5
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss.....	6
Item 9: Disciplinary Information.....	6
Item 10: Other Financial Industry Activities and Affiliations.....	6
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	7
Item 12: Brokerage Practices.....	7
Item 13: Review of Accounts.....	8
Item 14: Client Referrals and Other Compensation.....	8
Item 15: Custody.....	8
Item 16: Investment Discretion.....	9
Item 17: Voting Client Securities.....	9
Item 18: Financial Information	9
Item 19: Requirements for State-Registered Advisers	9

ADV Item 4: Advisory Business

Advisory Services and Fees

Services Offered

Garner Financial Management, Inc., Registered Investment Advisor ("GFM") is owned by Rob Garner and has been providing investment advisory services to clients since 2002. GFM offers a variety of services to meet the needs of its clients, including:

Asset Management: GFM will assist clients in designing personal financial goals and objectives and will make recommendations as to the allocation of present financial resources among different types of assets. GFM may directly manage client accounts utilizing a limited power of attorney. GFM will select securities and the amount of securities to be bought or sold without obtaining specific client consent prior to the execution of each individual transaction. All transactions are executed in accordance with the specific objectives of each client. The types of securities to be purchased are discussed and agreed upon in advance by GFM and client. GFM will be compensated for these services on a percentage of assets under management basis.

Flat Fee Consulting: GFM will provide clients with flat fee project consulting; services to be determined by the client and GFM.

Hourly Consulting: Under certain circumstances GFM may provide specific advisory services on an hourly basis.

Wrap Fee Programs: GFM does not sponsor or participate in wrap fee programs.

Investment Policy Statements

Individually managed accounts will be tailored to meet the client's investment goals and objectives. GFM may utilize an investment policy statement prepared specifically for that client that will detail the client's objectives and will include agreed upon investment strategies and limitations.

State of CA Disclosures: A conflict of interest exists between the interests of GFM and the interest of the client. The client is under no obligation to act upon GFM's recommendations. If the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through GFM.

Assets Under Management

As of December 31, 2011, GFM manages a total of \$8,000,000.00 on a non discretionary basis and \$62,000,000.00 on a discretionary basis.

ADV Item 5:

Fees and Compensation

Percentage of Assets Under Management: For the payment of asset management services generally GFM debits advisory fees directly from client accounts. In some cases, clients request that GFM invoice the client directly. Statements prepared by the custodial broker-dealers will reflect asset management fees that have been debited from client accounts. Statements prepared by GFM will include the percentage charged and fee calculation. Billing invoices prepared by GFM will include the same information. Investment advisory fees will not exceed 2.0% per annum. Fees may be increased, decreased, or waived on an individual basis, but will be agreed upon in advance, between GFM and client.

All fees are made payable to GFM. Fees are charged on a quarterly basis, in advance. If either party cancels the agreement, they would be pro-rated through the date of cancellation and any excess advance payment would be refunded to the client.

GFM is a fee-only investment advisor and as such does not receive any compensation directly or indirectly other than the agreed upon fee charged to the client by GFM.

Flat Fee: Any flat fee is determined by project. The fee will be negotiated and agreed to in advance by client and GFM.

Hourly Fee: GFM may provide hourly consulting services to clients upon request. The fee for this service will not exceed \$300.00 per hour depending upon a number of factors including complexity of the project. Fees will be discussed and agreed upon in advance. Typically, these fees will be billed on a monthly basis, after services have been rendered.

The state of California requires the following disclosure: Lower fees for comparable services may be available from other sources.

In addition to the fee charged by GFM, each mutual fund company in which a client's funds may be invested also pays its own investment advisory fees and expenses. These fees are paid indirectly through the management fees assessed by the funds in their portfolios.

ADV Item 6:

Performance Based Fees and Side By Side Management

GFM does not charge fees based on a share of capital gains or on capital appreciation of the assets of a client.

ADV Item 7:

Types of Clients

GFM provides investment advisory services to individuals, corporations and other business entities. GFM has a minimum account size for new accounts of \$500,000. Accounts below the stated minimum may be accepted on an individual basis at the discretion of GFM.

ADV Item 8:

Methods of Analysis, Investment Strategies and Risk of Loss

- A. GFM utilizes methods of analysis and investment strategies, including but not limited to charting, fundamental, cyclical and technical, in formulating investment advice or managing assets. Clients must be aware that investing in securities involves risk of loss that clients should be prepared to bear.
- B. GFM recommends general securities in client portfolios that include but are not limited to individual stocks, individual bonds, mutual funds, government securities and Real Estate Investment Trusts (REITS).

ADV Item 9:

Disciplinary Information

A. Neither GFM or an employee of GFM have been or are currently involved in a criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which GFM:

1. has been convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;
2. has been the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;
3. has been found to have been involved in a violation of an investment-related statute or regulation; or
4. was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.

B. Neither GFM or an employee of GFM have been or are currently involved in an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which GFM or a GFM manager:

1. was found to have caused an investment-related business to lose its authorization to do business; or
2. was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority
 - (a) denying, suspending, or revoking the authorization of GFM to act in an investment-related business;
 - (b) barring or suspending GFM with an investment-related business;
 - (c) otherwise significantly limiting GFM investment-related activities; or
 - (d) imposing a civil money penalty of more than \$2,500 on GFM.

ADV Item 10:

Other Financial Industry Activities and Affiliations

A. GFM provides investment advisory services exclusively and does not engage in other financial industry activities.

B. GFM is not registered as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an investment advisory representative of the foregoing entities.

Other Business Activities

GFM provides investment advisory services exclusively and does not engage in other business activities.

ADV Item 11:

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

A. GFM maintains a Code of Ethics that describes firm policies and procedures and how GFM conducts business with its clients. GFM clients depend on the firm to be trustworthy, honest and loyal to their interests as provided in GFM's agreements with them and disclosures in the GFM form ADV. Clients expect GFM to protect the confidentiality of their personal and financial information and to provide timely and professional advice in accordance with GFM agreements. All GFM employees will receive a copy of the Code and must acknowledge in writing that he or she has received and read it.

All GFM employees are expected to strive to act at all time in accordance with fundamental principles of openness, integrity, and honesty. This is in addition to the legal obligations that GFM and all employees adhere to applicable state securities laws.

B. GFM does not generally recommend to clients, or buys or sells for client accounts, securities in which GFM or a related person has a material financial interest, including acting as a general partner in a partnership in which GFM solicits client investments; or GFM or a related person acts as an investment Advisor to an investment company that GFM recommend to clients.

C. From time to time GFM may recommend that clients buy a security in which GFM or an associated person has an ownership position. Additionally, GFM or an associated person of GFM may purchase a security of the same class as securities held in a client's account. It is GFM's policy not to permit associated persons to trade in a manner that takes advantage of price movements caused by clients' transactions.

D. GFM and all its employees may purchase the same securities that are recommended to clients. GFM will put its client's needs first and will follow.

ADV Item 12:

Brokerage Practices

Clients may specify which broker-dealer to use or GFM may make recommendations. Generally, these recommendations are based on GFM's perception of the breadth of services offered, and quality of execution. GFM utilizes the services of custodial broker-dealers including Fidelity and Schwab Institutional. The custodial broker-dealers make available to GFM, other products and services that benefit GFM but may not benefit its clients' accounts. Some of these other products and services assist GFM in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of GFM's fees from its clients' accounts; and assist with back-office functions, recordkeeping and client reporting. The custodial broker-dealers also make available to GFM other services intended to help GFM manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, the custodial

broker-dealers may make available, arrange and/or pay for these types of services rendered to GFM by independent third parties.

The custodial broker-dealers may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services to GFM. While as a fiduciary, GFM endeavors to act in its clients' best interest, and GFM's recommendations that clients maintain their assets in accounts at the custodial broker-dealers may be based in part on the benefit to GFM of the availability of some of the foregoing products and services and are not solely on the nature, cost or based in part on the benefit to GFM of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the custodial broker-dealers, which may create a potential conflict of interest.

Research and Other Soft Dollar Benefits

GFM does not engage in soft dollar benefits. GFM does not use client brokerage commissions (or markups or markdowns) to obtain research or other products or services.

GFM does not generally aggregate orders as large blocks of securities aren't typically purchased or sold.

ADV Item 13:

Review of Accounts

Client accounts are reviewed on at least a quarterly basis. Monthly statements are sent to clients by the custodial broker dealer. In addition GFM prepares quarterly performance reports that are sent to clients.

ADV Item 14:

Client Referrals and Other Compensation

A. GFM does not engage in activity with non clients to gain economic benefits including sales awards or other prizes.

B. GFM does not directly or indirectly compensate any person who is not a GFM supervised person for client referrals.

ADV Item 15:

Custody

GFM meets the following conditions and therefore does not have custody of client assets:

1. Clients have authorized GFM to deduct fees directly from their accounts, which are maintained by a Qualified Custodian who sends quarterly statements to clients; and
2. Clients have signed a Custodial Agreement which only allows GFM to enter into transactions on their behalf and the withdrawal of management fees; and
3. Clients and the Qualified Custodian are sent an itemized invoice at the same time, which includes: the asset value upon which the fees are based, how the fees were computed, and the period of time for the fees.

ADV Item 16:

Investment Discretion

GFM maintains limited power of attorney in certain client accounts held at the custodial broker dealers. The limited power of attorney authorizes GFM to purchase and sell securities without obtaining prior permission to execute the transactions. All transactions are executed in accordance with the client's investment objectives that have been discussed and agreed upon with GFM and client.

ADV Item 17:

Voting Client Securities

A. GFM does not have nor will accept authority to vote client securities.

B. GFM requests that clients engage another party to determine how proxies should be voted. GFM does not provide proxy voting services to its clients.

ADV Item 18:

Financial Information

As an investment advisory firm that maintains discretionary authority, GFM is required to disclose any financial condition that would be likely to impair the firm's ability to meet its contractual obligations. GFM has no such financial conditions to report. GFM is not and has not been the subject of a bankruptcy proceeding .

ADV Item 19:

Requirements for State-Registered Advisers

GFM and its investment advisory representatives are required to disclose any material facts regarding any legal or disciplinary actions that would be material to your evaluation of each investment advisor firm or representative providing investment advice to you. You may access information at the SEC website at www.Adviserinfo.sec.gov. Please see ADV 2B for individual investment advisory representatives.

GFM is not currently involved nor has it been involved in the past, in the following:

- I. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
 - (a) an investment or an investment-related business or activity;
 - (b) fraud, false statement(s), or omissions;
 - (c) theft, embezzlement, or other wrongful taking of property;
 - (d) bribery, forgery, counterfeiting, or extortion; or
 - (e) dishonest, unfair, or unethical practices.
2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
 - (a) an investment or an investment-related business or activity;
 - (b) fraud, false statement(s), or omissions;
 - (c) theft, embezzlement, or other wrongful taking of property;
 - (d) bribery, forgery, counterfeiting, or extortion; or
 - (e) dishonest, unfair, or unethical practices.

Additional Information

Investment Advisory Representatives will be required to meet the examination and qualification requirements of the states where they conduct business.

Material conflicts of interest that could reasonably expect to impair the rendering of unbiased and objective advice, under CCR Section 260.238(k) are disclosed regarding GFM, its employees, and its investment advisory representatives.

Garner Financial Management, Inc.

Registered Investment Advisor

3595 Mt. Diablo Blvd., Suite 290, Lafayette, CA 94549

Phone: 925-282-5500

Fax: 925-962-9250

www.GarnerFM.com

June 1, 2012

**FORM ADV PART 2B
BROCHURE SUPPLEMENT**

This brochure supplement provides information about Garner Financial Management, Inc. (GFM) that supplements the GFM, Registered Investment Advisor brochure. You should have received a copy of that brochure. Please contact GFM if you did not receive the firm's brochure or if you have any questions about the contents of this supplement.

Additional information about GFM is available at www.adviserinfo.sec.gov.

Table of Contents

Educational Background and Business Experience.....	3
Disciplinary Information	4
Other Business Activities and Additional Compensation.....	5
Supervision	5
Requirements for State-Registered Advisors.....	5

Educational Background and Business Experience

Name: Robert J. Garner

Date of Birth: 02/05/1948

Education:

University of California, Berkeley, CA

B.A. Political Science, 1971

Chartered Mutual Fund Counselor

1996

Chartered Retirement Planning Counselor

1998

CFP Professional Education Program

2002

NAPFA Registered Financial Advisor

2003

Business Background:

Garner Financial Management, Inc.
3595 Mt. Diablo Blvd., Suite 290
Lafayette, CA 94549

Owner and President, 2002 Present

The Savant Group
461 Second St., Suite 151
San Francisco, CA 94107

Investment Advisory Associate
1999 – 2002

Protected Investors of America
235 Montgomery St., Suite 1050
San Francisco, CA 94104

Registered Representative
1993 – 1999

Disciplinary Information

- A. Garner Financial Management, Inc. is not and has not been the subject in a criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which it:
1. was convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;
 2. is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;
 3. was found to have been involved in a violation of an investment-related statute or regulation; or
 4. was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, the supervised person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.
- B. Garner Financial Management, Inc. is not and has not been the subject of an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which it:
1. was found to have caused an investment-related business to lose its authorization to do business; or
 2. was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority
 - (a) denying, suspending, or revoking the authorization of the supervised person to act in an investment-related business;
 - (b) barring or suspending the supervised person's association with an investment-related business;
 - (c) otherwise significantly limiting the supervised person's investment-related activities; or
 - (d) imposing a civil money penalty of more than \$2,500 on the supervised person.
- C. Garner Financial Management, Inc. is not and has not been the subject of a self-regulatory organization (SRO) proceeding in which it:
1. was found to have caused an investment-related business to lose its authorization to do business; or
 2. was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.
- D. Garner Financial Management, Inc. is not and has not been the subject of any other proceeding in which a professional attainment, designation, or license was revoked or suspended because of a violation of rules relating to professional conduct.

Other Business Activities and Additional Compensation

Robert J. Garner is the sole owner and advisor of Garner Financial Management, Inc. and is not actively engaged in any investment-related business or occupation other than that of Garner Financial Management, Inc. All compensation received is paid directly by the client's of Garner Financial Management, Inc. on a fee-only basis and thus there is no incentive to recommend investment products for additional compensation or for any other economic benefit.

Supervision

Robert J. Garner is the sole owner and advisor of Garner Financial Management, Inc. and is therefore ultimately responsible for all activities of the firm.

Requirements for State-Registered Advisors

A. In addition to the events listed in Item 3 of Part 2B, Robert J. Garner is not involved and has not been involved in one of the events listed below:

1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:

- (a) an investment or an investment-related business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:

- (a) an investment or an investment-related business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

B. Robert J. Garner is not and has not been the subject of a bankruptcy petition.