

Ackerman Asset Management, LLC

Client Brochure & Supplement

This brochure provides information about the qualifications and business practices of Ackerman Asset Management, LLC. If you have any questions about the contents of this brochure, please feel free to contact us at (301) 230-2088 or by email at: JA@AckermanAsset.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Ackerman Asset Management, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Ackerman Asset Management, LLC's CRD number is: 137958

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Item 2: Material Changes

A. Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

B. Material Changes since the Last Update

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization.

- As a result of new regulatory requirements, Ackerman Asset Management, LLC is transitioning from SEC to State of Maryland registration.
- Per State of Maryland requirements, Ackerman Asset Management, LLC will send a Fee Statement to the client and the custodian at the same time. The client’s Fee Statement will show the amount of the advisory fee and how it was calculated, while the custodian’s Fee Statement will only show the amount of the advisory fee.

C. Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone 301-230-2088 or by JA@AckermanAsset.com.

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Item 4: Advisory Business

A. Description of the Advisory Firm

Ackerman Asset Management, LLC (hereinafter "AAM") was founded in 2005.

AAM provides investment management to individuals, high-net-worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations, foundations, family offices, endowments, or other business entities. Advice is provided through consultation with the client and may include: determination of financial objectives and investment management.

Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which investment management may be beneficial to the client.

B. Principal Owners

James D. Ackerman is a 100% owner.

C. Types of Advisory Services

AAM offers the following services to advisory clients:

Investment Supervisory Services (referred to as Portfolio Management Services)

AAM provides continuous advice to a client regarding investment of client funds based on the individual needs of the client, as determined through personal discussions with the client and the completion of a client profile and risk questionnaire. AAM creates, manages, and supervises a client's account in accordance with the investment objectives and risk tolerance as specified by the client. AAM manages advisory accounts on a discretionary basis in order to select securities and execute transactions without permission from the client prior to each transaction. AAM does not offer dedicated financial planning services, although may perform necessary analyses to support the investment strategy.

Investment advice may be offered on any investments held by a client at the start of the advisory relationship. AAM will create a portfolio consisting of one or all of the following: individual equities, bonds, corporate debt securities, municipal securities, commercial paper, warrants, certificates of deposit, no-load, load-waived and front-load mutual funds, exchange traded funds, and

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other investment products. AAM does not offer and/or sell interests in private placement offerings and/or limited investment partnerships, such as, hedge funds and other pooled investment partnerships.

Consulting Services

Clients can also receive investment advice on a more limited basis. AAM provides specific consultation and administrative services regarding investment and financial concerns of the client. This may include, but not be limited to advice or analysis on current or prospective outside, non-AAM discretionary assets, such as investments in a client's company 401(k) plan or other investment vehicles.

D. Client Tailored Services and Client Imposed Restrictions

AAM offers the same suite of services to all of its clients. Clients have the opportunity to place reasonable restrictions on the types of investments which will be made on the client's behalf. However, if the restrictions prevent AAM from properly servicing the client account, or if the restrictions would require AAM to deviate from its standard suite of services, AAM reserves the right to end the relationship. Clients will retain individual ownership of all securities.

When appropriate to the needs of the client, AAM may perform short term purchases, trading, short sales, or margin transactions. Because these investment strategies involve certain additional degrees of risk, they will only be utilized when consistent with the client's stated tolerance for risk.

E. Wrap Fee Programs

AAM does not participate in any wrap fee programs.

F. Amounts Under Management

AAM has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$34,759,000.00	\$0.00	3/17/2012

Item 5: Fees and Compensation

A. Fee Schedule

Portfolio Management Services

An annual fee of 1.5% for portfolio management services will be charged as a percentage of assets under management. These fees are negotiable. Fees are paid quarterly in advance, no earlier than at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous quarter. Advisory fees are not reduced to offset commissions or transaction costs charged by Fidelity Investments. Please refer to Item 12, page 12 for a description of brokerage practices.

Consulting Services

Consulting fees will be charged using one of the following methodologies: a) at an hourly rate of \$300; or b) as a fixed dollar fee.

B. Negotiability of Fees

In certain circumstances, all of AAM's fees may be negotiable. Clients that had a pre-existing relationship with the President of AAM at his previous firm may have lower fees in some cases, as well as clients of the firm prior to January 1, 2009. In addition, certain client-specific cash management portfolios may be excluded from advisory services and thus not be charged a fee. This will be evaluated on a case by case situation.

C. Fee Calculation

The fee charged is calculated as described above and is not charged on the basis of a share of capital gains or capital appreciation of the funds or any portion of the funds of an advisory client (Section 205(a)(1) of the Investment Advisers Act of 1940).

D. Termination of Advisory Relationship

A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days prior written notice. Refunds are given on a prorated basis, based on the number of days remaining in a quarter at the point of termination. Clients may terminate their contracts without penalty, for full refund, within 5 business days of signing the advisory contract. In the event of withdrawal of funds or the termination of any account, any fees, commissions or other expenses associated with rebalancing or liquidating the account holdings may be assessed to the client's account.

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E. Mutual Fund, ETF and Other Third Party Fees

Clients are responsible for the payment of all third party fees (i.e. custodian fees, mutual fund and ETF fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by AAM.

All fees paid to AAM 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. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in mutual funds or ETFs directly, without the services of AAM. In that case, the client would not receive the services provided by AAM 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 the fees charged by AAM to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

F. Payment of Fees

Payment of Portfolio Management Fees

AAM's portfolio management services fee is deducted from client accounts, in advance, at or near the beginning of each calendar quarter (as described previously in Item 5.A.). AAM may directly debit advisory fees from the client account if the following conditions are met:

1. The client provides written authorization permitting AAM's fees to be paid directly from the client's account held by an independent custodian.
2. The adviser sends a Fee Statement to the client and the custodian at the same time. The client's Fee Statement will show the amount of the advisory fee and how it was calculated, while the custodian's Fee Statement will only show the amount of the advisory fee.
3. The adviser informs the client that it is the client's responsibility to verify the accuracy of the fee calculation and that the custodian will not determine whether the fee is properly calculated.
4. The custodian agrees to send to the client a statement, at least quarterly, indicating all amounts disbursed from the account including the amount of advisory fees paid directly to AAM.

Advisory fees may also be invoiced and billed directly to the client with payments due upon receiving the invoice. Clients may select the method in which they are billed.

Payment of Consulting Services Fees

The hourly and fixed fees for consulting services are charged quarterly in arrears.

G. Outside Compensation for the Sale of Securities to Clients

James D. Ackerman, in his individual capacity as a registered representative with Purshe Kaplan Sterling Investments and separate from his AAM advisory services, accepts compensation for the sale of securities or other investment products, including asset based sales charges or services fees from the sale of mutual funds to its clients. This presents a conflict of interest and gives the supervised person and AAM an incentive to recommend products based on the compensation received rather than on the client's needs. When recommending the sale of securities or investment products for which AAM receives compensation, AAM will document the conflict of interest in the client file and inform the client of the conflict of interest. Clients always have the option to purchase AAM recommended products through other brokers or agents that are not affiliated with AAM.

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

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

Item 7: Types of Clients

AAM generally provides management supervisory services to the following types of clients: individuals, high-net-worth individuals, pension and profit sharing plans, trusts, or other business entities.

Minimum Account Size

AAM generally imposes a minimum portfolio size of \$500,000 for new clients. Exceptions to the minimum portfolio level may be separately negotiated on a case by case basis. AAM may continue to service existing accounts that have values that are below the minimum.

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

A. Methods of Analysis and Investment Strategies

Methods of Analysis

AAM's methods of analysis include charting analysis, fundamental analysis, and technical analysis.

Charting analysis involves the use of patterns in performance charts. AAM uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

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

Technical analysis involves the analysis of past market data; primarily price and volume.

The main sources of information include financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, company press releases, Morningstar Principia mutual fund information, and historical security pricing data.

Investment Strategies

AAM primarily uses mutual funds, exchange traded funds, stocks, bonds, and CD's. AAM may also use long term trading, short term trading, short sales, and margin transactions strategies.

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

B. Material Risks Involved

Methods of Analysis

Charting analysis strategy involves using and comparing various charts to predict long and short term performance or market trends. The risk involved in solely using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

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

Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

Investment Strategies

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

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

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

Other Risks

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

C. Risks of Specific Securities Utilized

AAM generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. However, it may utilize margin transactions which generally hold greater risk of capital loss and clients should be aware that there is a material risk of loss using any of those strategies.

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

Item 9: Disciplinary Information

Mr. Ackerman has not been involved in any legal or disciplinary events throughout his investment career.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer Representative

Mr. Ackerman, in his individual capacity, is also a Registered Representative of Purshe Kaplan Sterling Investments ("PKS"), a FINRA registered broker/dealer. As such, Mr. Ackerman, in his separate capacity as a registered representative, will be able to effect securities transactions and will receive separate, yet customary compensation for effecting any securities transactions. Mr. Ackerman may place clients in investment products sold through PKS and receive a usual and customary commission for doing so. Many investment products have fixed commissions as they are sold through a prospectus. PKS is unaffiliated with AAM's independent advisory activities.

While Mr. Ackerman endeavors at all times to put the interest of the clients first as part of AAM's fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect his judgment when making recommendations.

B. Insurance Agent

Mr. Ackerman, in his individual capacity, is an insurance agent for various insurance companies. As such, this individual, in his separate capacity as an insurance agent, may purchase insurance products for clients, for which he will receive separate, yet customary compensation. Clients, however, are not under any obligation to engage this individual when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

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

Neither AAM nor its representatives are registered as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

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

Neither AAM nor its representatives have any material relationships to this advisory business outside of those identified above that would present a possible conflict of interest.

E. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections

AAM does not utilize nor select other advisors or third party managers. All assets are managed by AAM.

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

A. Code of Ethics

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Clients may request a copy of our Code of Ethics from management.

B. Recommendations Involving Material Financial Interests

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

C. Participation or Interest in Client Transactions

AAM or individuals associated with AAM may buy or sell securities identical to, or different than, those recommended to customers for their personal accounts. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client. It is the expressed policy of AAM that no person employed by AAM may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, and therefore, preventing such employees from benefiting from transactions placed on behalf of advisory accounts.

As these situations represent a conflict of interest, AAM has established the following restrictions in order to ensure its fiduciary responsibilities:

1) A director, officer or employee of AAM shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing

public on reasonable inquiry. No person of AAM shall prefer his or her own interest to that of the advisory client.

2) AAM maintains a list of all securities holdings for itself, and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by James Ackerman, President and CCO of AAM.

3) AAM emphasizes the unrestricted right of the client to decline to implement any advice rendered, except in situations where AAM is granted discretionary authority of the client's account.

4) AAM requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.

5) Any individual not in observance of the above may be subject to termination.

D. Aggregation of Trades

AAM may aggregate trades for itself or for its associated person with client trades, providing that the following conditions are met:

1) No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all AAM's transactions in a given security on a given business day. Under the client's agreement with the custodian/broker, transaction costs will be based on the number of shares traded for each client;

2) AAM will prepare, before entering an aggregated order, a written statement ('Allocation Statement') specifying the participating client accounts and how it intends to allocate the order among those clients;

3) If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the Allocation Statement; if the order is partially filled, it will be allocated pro-rata based on the Allocation Statement.

4) Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment and the reason for different allocation is explained in writing and is approved by AAM's compliance officer no later than one hour after the opening of the markets on the trading day following the day the order was executed;

5) AAM's books and records will separately reflect, for each client account, the orders of which are aggregated, the securities held by, and bought and sold for that account;

6) Funds and securities of clients whose orders are aggregated will be deposited with one or more banks or broker-dealers, and neither the clients' cash nor their securities will be held collectively any longer than is necessary to settle the purchase or sale in question

on a delivery versus payment basis; cash or securities held collectively for clients will be delivered out to the custodian bank or broker-dealer as soon as practicable following the settlement;

7) AAM will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation; and

8) Individual advice and treatment will be accorded to each advisory client.

Item 12: Brokerage Practices

A. Selecting Brokerage Firms

As AAM does not have the discretionary authority to determine the broker/dealer to be used or the commission rates to be paid, clients must direct AAM as to the broker/dealer to be used. In directing the use of a particular broker or dealer, it should be understood that AAM will not have authority to negotiate commissions among various brokers or obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to other clients.

AAM requests that clients direct AAM to place all trades through Fidelity Brokerage Services, LLC. AAM has evaluated Fidelity Brokerage Services, LLC and believes that Fidelity Brokerage Services, LLC will provide AAM clients with a blend of execution services, commission costs and professionalism that will assist AAM in obtaining best execution for transactions. AAM reserves the right to decline acceptance of any client account that directs the use of a broker dealer other than Fidelity Brokerage Services, LLC, if AAM believes that this would adversely affect AAM's duty to obtain best execution.

AAM utilizes the services of the Fidelity Institutional Wealth Services (FIWS) program sponsored by Fidelity Brokerage Services LLC ('Fidelity'). While there is no direct linkage (except in certain circumstances) between the investment advice given to clients and AAM's participation in the FIWS program, economic benefits are received by AAM which would not be received if AAM did not give investment advice to clients. These benefits include: A dedicated trading desk that services FIWS participants exclusively, a dedicated service group and an account services manager dedicated to AAM's accounts, access to a real-time order matching system, ability to 'block' client trades, electronic download of trades, balances and positions, access, for a fee, to an electronic interface with FIWS's software, duplicate and batched client statements, confirmations and year-end summaries, the ability to have advisory fees directly debited from client accounts (in accordance with federal and state requirements), a quarterly newsletter, access to Fidelity mutual funds, access to AdvisorChannel.com (internet access to statements,

confirmations and transfer of asset status), access to Account View (through which clients may access their account information over the internet), access to over 350 mutual fund families and 4,500 mutual funds NOT affiliated with Fidelity, of which over 2,000 have no transaction fee, ability to have loads waived for AAM's clients who invest in certain Fidelity loaded funds, when certain conditions are met and maintained and the ability to have custody fees waived (when negotiated by the adviser and allowed under certain circumstances). The benefits received through participation in the FIWS program do not depend upon the amount of transactions directed to, or amount of assets custodied by, Fidelity Brokerage Services LLC.

- **Best Execution.** While AAM has a reasonable belief that Fidelity Brokerage Services, LLC is able to obtain best execution and competitive prices, AAM will not be independently seeking best execution price capability through other broker dealers. AAM will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.
- **Research and Other Soft-Dollar Benefits.** AAM receives no premium research, product, or service other than execution from a broker-dealer or third-party in connection with client securities transactions ("soft dollar benefits").
- **Brokerage for Client Referrals.** AAM receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

AAM receives a benefit from utilizing Fidelity as a custodian, as it does not have to produce or pay for access to certain research, products or services. AAM may have an incentive to select or recommend a broker-dealer based on the firm's interest in receiving the research or other products or services, rather than on the clients' interest in receiving most favorable execution.

B. Aggregating (Block) Trading for Multiple Client Accounts

AAM will 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 clients' accounts so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block. Block trading allows AAM to execute equity trades in a more timely and equitable manner. Trades for affiliated accounts may be included in AAM client block trades.

Item 13: Reviews of Accounts

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

While the underlying securities within Portfolio Management Services accounts are continuously monitored, these accounts are reviewed at least quarterly by James Ackerman, President of AAM. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. All accounts at AAM are assigned to this reviewer.

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

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

C. Content and Frequency of Regular Reports Provided to Clients

Portfolio Management Services clients will receive monthly and/or quarterly statements and confirmations from their respective broker-dealer(s) and/or custodian(s).

Item 14: Client Referrals and Other Compensation

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

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

B. Compensation to Non -Advisory Personnel for Client Referrals

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

Item 15: Custody

AAM does not take direct custody of client accounts; however AAM does have authority to withdraw advisory fees per conditions outlined in Item 5.F. Custody of client's accounts is held primarily at Fidelity Brokerage Services LLC, which provides account statements directly to clients at their address of record at least quarterly. Clients should carefully review statements received from the custodian.

Item 16: Investment Discretion

For those clients' accounts where AAM provides ongoing supervision, the client has given AAM written discretionary authority over the client's accounts with respect to securities to be bought or sold, the amount of securities to be bought or sold, as well as the timing of such transactions. Details of this relationship are fully disclosed to the client before any advisory relationship has commenced. The client provides AAM discretionary authority via a limited power of attorney in the Investment Advisory Contract and in the contract between the client and the custodian. Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing. AAM does not request any discretionary authority over Consulting Services accounts.

Item 17: Voting Client Securities (Proxy Voting)

AAM will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security. When assistance on voting proxies is requested, AAM may provide advice regarding the client. If a conflict of interest exists, it will be disclosed to the client.

Item 18: Financial Information

Financial Condition

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

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

AAM nor its management have been the subject of a bankruptcy petition in the last ten years.

Brochure Supplement (Part 2B of Form ADV)

James David Ackerman
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3/27/2011

This Brochure Supplement provides information about James D. Ackerman that supplements the Ackerman Asset Management, LLC Brochure. You should have received a copy of that Brochure. Please contact James D. Ackerman, President and Chief Compliance Officer, if you did not receive Ackerman Asset Management's Brochure or if you have any questions about the contents of this supplement.

Additional information about James D. Ackerman is available on the SEC's website at www.adviserinfo.sec.gov.

Educational Background and Business Experience

JAMES DAVID ACKERMAN Born: 11/18/1964

Educational Background:

- B.S., Chemistry, Dickinson College, Carlisle, PA, 1986;
- M.H.A., Health Administration, Duke University, Durham, NC, 1988;
- M.B.A., Finance, Stern School of Business, New York University, New York, NY, 1994.

Business Experience (Last five years)

- President & CCO, Ackerman Asset Management, LLC, 12/05 to Present;
- Registered Representative, Purshe Kaplan Sterling Investments, 12/05 to Present

Examinations and Professional Designations:

- FINRA Series 7 (07/29/1998)
- FINRA Series 24 (08/01/2000)
- FINRA Series 31 (10/20/2003)
- FINRA Series 63 (08/06/1998)
- FINRA Series 65 (09/11/2003)
- Maryland and Virginia Insurance Licenses

Item 3: Disciplinary Information

Mr. Ackerman has not been involved in any legal or disciplinary events throughout his investment career.

Item 4: Other Business Activities

Mr. Ackerman, in his individual capacity, is also a Registered Representative of Purshe Kaplan Sterling Investments ("PKS"), a FINRA registered broker/dealer, as well as an insurance agent for various insurance companies. (PKS is unaffiliated with AAM's independent advisory activities.) As such, Mr. Ackerman, in his separate capacity as a registered representative and insurance agent, will be able to effect securities and insurance transactions for which he will receive separate, yet usual and customary compensation. Commissions or other forms of compensation based on the sale of securities, other investment products, and/or insurance products may include distribution or service ("trail") fees. Clients are not under any obligation to engage this individual when considering implementation of these advisory recommendations.

While Mr. Ackerman endeavors at all times to put the interest of the clients first as part of AAM's fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect his judgment when making recommendations.

Item 5: Additional Compensation

Mr. Ackerman, in his individual capacity as a registered representative with Purshe Kaplan Sterling Investments, as well as through AAM, does not receive any economic benefit, directly or indirectly from any third-parties for advice rendered to AAM clients.

Item 6: Supervision

Mr. Ackerman annually reviews and signs off on his firm's compliance policy and procedure manual. Mr. Ackerman's objective is to have the manual properly reflect the requirements stipulated in the Maryland Securities Act and that he be in compliance with those standards.