

# Miller Equity Capital Advisors

## Miller Equity Capital Advisors Form ADV Part 2A Investment Adviser Brochure

**February 16, 2012**

This brochure provides information about the qualifications and business practices of Miller Equity Capital Advisors. If you have any questions about the contents of this brochure, please contact us at 972-490-4345 and/or [mark@mecadvisors.com](mailto:mark@mecadvisors.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 Miller Equity Capital Advisors is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## ***Item 2: Summary of Material Changes***

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### **Introduction**

In the past, we have offered or delivered information about our qualifications and business practices to clients on an annual basis. Pursuant to new Security and Exchange Commission (SEC) Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

### **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. You will receive information regarding the material changes or a full copy of the ADV on an annual basis.

### **Material Changes since the Last Update: ADV Part 2, Dated, March 21, 2011**

No material changes to the ADV for Miller Equity Capital Advisors were recognized as there were no organizational or governance changes since the last published ADV dated March 21, 2011. Miller Equity Capital Advisors is in the process of switching from SEC registration and oversight to State registration and oversight due to changes required by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act).

In a continually changing financial environment, our quest is to provide you with the best and up-to-date advice. To show our continual improvement in this area, we are pleased to announce that one of our associates obtained the CERTIFIED FINANCIAL PLANNER™ certification which is reflected in our Form ADV Part 2B. Changes to the Form ADV Part 2B also include updates to the CFA, CPA and PFS descriptions and added the CFP® designation description.

### **Full Brochure Available**

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

Currently, our Brochure may be requested by contacting Mark Miller at 972-490-4345 or [mark@mecadvisors.com](mailto:mark@mecadvisors.com).

Additional information about Miller Equity Capital Advisors is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Miller Equity Capital Advisors who are registered, or are required to be registered, as investment adviser representatives of Miller Equity Capital Advisors.

## Item 3: Table of Contents

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|   |           |
|---|-----------|
| Miller Equity Capital Advisors  | 1         |
| <b>Item 2: Summary of Material Changes</b>  | <b>2</b>  |
| Introduction  | 2         |
| Annual Update   | 2         |
| Material Changes since the Last Update: ADV Part 2, Dated, March 21, 2011                             | 2         |
| Full Brochure Available   | 2         |
| <b>Item 4: Advisory Business</b>  | <b>5</b>  |
| Advisory Services   | 5         |
| Tailored Relationships  | 6         |
| Wrap Fee Programs   | 6         |
| Assets Under Management   | 6         |
| <b>Item 5: Fees and Compensation</b>  | <b>7</b>  |
| Compensation  | 7         |
| Compensation – General Information  | 7         |
| Other Fees  | 8         |
| Past Due Accounts and Termination of Agreement  | 8         |
| <b>Item 6: Performance-Based Fees and Side-by-Side Management</b>                                     | <b>9</b>  |
| <b>Item 7: Types of Clients</b>   | <b>9</b>  |
| Types of Clients  | 9         |
| Account Minimums  | 9         |
| <b>Item 8: Methods of Analysis, Investment Strategies and Risk of Loss</b>                            | <b>9</b>  |
| Methods of Analysis   | 9         |
| Investment Strategies   | 9         |
| Objectives  | 10        |
| Tax Sensitivity   | 10        |
| Risk of Loss  | 10        |
| Initial Public Offerings  | 11        |
| <b>Item 9: Disciplinary Information</b>   | <b>11</b> |
| Legal and Disciplinary  | 11        |
| <b>Item 10: Other Financial Industry Activities and Affiliations</b>                                  | <b>12</b> |
| Financial Industry Activities – Broker/Dealer or Commodities  | 12        |
| Financial Industry Activities – Other Affiliations (None)   | 12        |
| <b>Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading</b> | <b>13</b> |
| Code of Ethics  | 13        |
| Participation or Interest in Client Transactions – Personal Securities Transactions                   | 13        |
| Participation or Interest in Client Transactions – Aggregation  | 14        |
| <b>Item 12: Brokerage Practices</b>   | <b>14</b> |
| Research and Other Soft Dollar Benefits   | 14        |

|   |           |
|---|-----------|
| Brokerage for Client Referrals                                    | 14        |
| Directed Brokerage  | 14        |
| Client Directed Brokerage   | 14        |
| Trade Aggregation   | 15        |
| <b>Item 13: Review of Accounts</b>                                | <b>15</b> |
| Reviews   | 15        |
| Review Triggers   | 15        |
| Reporting   | 15        |
| Financial Planning – Reviews and Reporting                        | 16        |
| <b>Item 14: Client Referrals and Other Compensation</b>           | <b>16</b> |
| Compensation – Client Referrals                                   | 16        |
| <b>Item 15: Custody</b>   | <b>16</b> |
| Custody   | 16        |
| Custody – Account Statements                                      | 16        |
| <b>Item 16: Investment Discretion</b>                             | <b>16</b> |
| Discretionary Authority for Trading and Limited Power of Attorney | 17        |
| <b>Item 17: Voting Client Securities</b>                          | <b>17</b> |
| Proxy Voting – Firm does not vote                                 | 17        |
| <b>Item 18: Financial Information</b>                             | <b>17</b> |
| Financial Condition   | 17        |
| <b>Other Information</b>  | <b>17</b> |
| Privacy   | 18        |
| Business Continuity Plan  | 18        |
| <b>FORM ADV PART 2B – INVESTMENT ADVISER BROCHURE SUPPLEMENT</b>  | <b>19</b> |
| Miller Equity Capital Advisors                                    | 19        |
| <b>Educational Background and Business Experience</b>             | <b>20</b> |
| Education and Business Background                                 | 20        |
| Professional Certifications                                       | 20        |
| Supervisor  | 24        |
| Supervised Persons  | 25        |
| <b>Disciplinary Information</b>                                   | <b>26</b> |
| <b>Other Business Activities</b>                                  | <b>26</b> |
| <b>Additional Compensation</b>                                    | <b>26</b> |
| <b>Supervision</b>  | <b>26</b> |

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***Item 4: Advisory Business***

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Miller Equity Capital Advisors is an Investment Advisor specializing in private wealth management that is focused on providing advice on a complete financial picture to high-net-worth individuals, families, trusts, estates and charitable organizations, corporations or other business entities. Miller Equity Capital Advisors was founded in 1996 and is owned and managed by Mark Miller CFA. The primary member of his team is Gene Gurley CFP®.

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***Mission Statement***

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**The mission of Miller Equity Capital Advisors is to preserve and enhance its client's wealth with their best interest in mind.**

Our vision is to protect the client's long-term financial health and wealth through managing financial risk within each client's tolerance level.

We are dedicated to providing integrated wealth management advice in a prudent and effective manner that is both confidential and in the client's best interest.

**Advisory Services**

Miller Equity Capital Advisors offers the following types of advisory services to enable a client to understand their complete financial condition: Financial and Investment Consulting Services and Wealth Management Services.

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***Financial and Investment Consulting Services***

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Financial and Investment Consulting Services are the professional expertise provided in developing an integrated and comprehensive Wealth Management Plan that utilizes the client's financial resources working together in a holistic approach to achieve identified goals and objectives.

Comprehensive Wealth Management Planning includes some or all of the following services:

- Personal Financial Planning
- Goal and Objectives Planning
- Investment Management
  - Investment Opportunity Evaluations
  - Investment Analysis and Investment Strategies
  - Portfolio Risk Management
  - Portfolio Design and Asset Allocation
- Tax Planning and Minimization
- Risk Management (Insurance)
- Life Events Planning
- Education Planning
- Retirement Planning
  - Retirement Income and Capital Needs Analysis

- Estate Planning
- Corporate Financing Alternatives
- Charitable Giving Strategies

These services are oriented toward developing strategic plans for solving specific problems and/or reaching specific goals depending on family or specific portfolio needs. Miller Equity Capital Advisors helps the client work through the complexities, manage the risk, and get the most economic long-term after-tax return from their total wealth. The services used to develop the comprehensive Wealth Management plan are also available individually or as requested by the client.

### ***Wealth Management Services***

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Wealth Management services is the on-going professional management of the Wealth Management Plan described above. These services are provided under a fiduciary relationship with Miller Equity Capital Advisors with an integrated approach in advising clients concerning financial returns and risks that impact personal net worth and future wealth creation. Financial decisions are evaluated in terms of reward for risk and recommendations are based solely on the client's specific needs, circumstances, goals and risk tolerance. Miller Equity Capital Advisors implements the portfolio recommendations and monitors the investments based on an agreed upon investment policy statement.

#### **Tailored Relationships**

Miller Equity Capital Advisors tailors advisory services to the individual needs of the client. Investable portfolios are custom designed to achieve investment solutions. The complexities of the client's unique circumstance and needs are evaluated and incorporated in the portfolio construction.

The goals and objectives for each client are documented in our client relationship management system. Investment policy statements are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

#### **Wrap Fee Programs**

Miller Equity Capital Advisors does not participate in a Wrap Fee Program.

#### **Assets Under Management**

As of December 31, 2011, Miller Equity Capital Advisors has over \$14.5 million in marketable securities under advisement with over \$11.5 million in discretionary accounts and over \$3 million in non-discretionary accounts.

## ***Item 5: Fees and Compensation***

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### **Compensation**

Miller Equity Capital Advisors bases its fees on a percentage of assets under management and hourly charges.

Financial and Investment Consulting services are provided on an hourly basis and billed monthly in arrears. Fees are \$275 per hour for accredited professionals, \$125 per hour for professional support and \$75 per hour for administrative support.

Fees for Wealth Management services are calculated as a percentage of assets under management and billed quarterly in arrears.

| <b>WEALTH MANAGEMENT FEE SCHEDULE</b> |              |    |              |                      |                   |
|---------------------------------------|--------------|----|--------------|----------------------|-------------------|
| <b>Wealth Under Management</b>        |              |    |              | <b>Quarterly Fee</b> | <b>Annual Fee</b> |
| First                                 | \$5,000,000  |    |              | .25%                 | 1.00%             |
| Next                                  | \$5,000,001  | To | \$10,000,000 | .20%                 | .80%              |
| Next                                  | \$10,000,001 | To | \$20,000,000 | .15%                 | .60%              |
| Next                                  | \$20,000,001 |    |              | .10%                 | .40%              |

Miller Equity Capital Advisors' annual Wealth Management fee shall be prorated and paid quarterly, in arrears. The fee will be based upon the average market value (market value or fair market value in the absence of market value) of the assets for the previous quarter. Existing clients may have been grandfathered in from a lower fee schedule.

### **Compensation – General Information**

Miller Equity Capital Advisors' fees may be negotiable based on various criteria, including, but not limited to the size of the aggregate related party portfolio, family holdings, low cost basis securities, fixed income holdings, or certain passively advised investments and pre-existing relationships with clients. Certain clients may pay more or less than others depending on the amount of assets, type of portfolio, the time involved, the degree of responsibility assumed, the complexity of the engagement, special skills needed to solve problems, the application of experience and knowledge of the client's situation.

The specific manner in which fees are charged by Miller Equity Capital Advisors is established in a client's written agreement with Miller Equity Capital Advisors. Miller Equity Capital Advisors will generally calculate fees on a quarterly basis, in arrears each calendar quarter. Clients will be invoiced directly for fees. Management fees shall be prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of de minimis contributions and withdrawals).

**Other Fees**

Miller Equity Capital Advisors' fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus.

Such charges, fees and commissions are exclusive of and in addition to Miller Equity Capital Advisors' fee, and Miller Equity Capital Advisors shall not receive any portion of these commissions, fees, and costs.

There are no additional types of fees or expenses that Miller Equity Capital Advisors clients pay in connection with the delivery of advisory services.

Neither Miller Equity Capital Advisors nor any of its supervised persons (employees) accept compensation for the sale of securities or other investment products.

**Past Due Accounts and Termination of Agreement**

Miller Equity Capital Advisors may impose a late penalty in the amount of \$100 per month or 2% per month; whichever is greater, for any fees or expense reimbursements that Miller Equity Capital Advisors receives more than ten business days late. Miller Equity Capital Advisors also reserves the right to immediately stop providing all services on any account that is more than 30 days overdue. In addition, Miller Equity Capital Advisors reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in Miller Equity Capital Advisors' judgment, to providing proper financial advice. No portions of fees were collected in advance.

A client may terminate any of the aforementioned agreements at any time by notifying Miller Equity Capital Advisors in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination.

Miller Equity Capital Advisors may terminate any of the aforementioned agreements at any time by notifying the client in writing. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any earned, unpaid fees will be due and payable.



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***Item 6: Performance-Based Fees and Side-by-Side Management***

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Neither Miller Equity Capital Advisors nor any of its Supervised Persons (employees) accepts performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Miller Equity Capital Advisors does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

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***Item 7: Types of Clients***

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**Types of Clients**

Miller Equity Capital Advisors provides advice to corporations, individuals, trusts, and charitable organizations.

**Account Minimums**

A client's minimum personal net worth account size of \$1,000,000, which equates to a minimum annual fee of \$10,000, although this may be negotiable under certain circumstances.

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

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**Methods of Analysis**

Miller Equity Capital Advisors uses the following main sources of information: financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission (SEC), and company press releases.

Other sources of information that Miller Equity Capital Advisors may use include information from investment managers, financial service companies, data base companies, financial journals, government sources, and the Internet.

Miller Equity Capital Advisors utilizes a quantitative approach in security analysis. It utilizes data bases from several sources as input to its own computer models and those from other companies. This quantitative processing produces an output that ranks companies based upon certain fundamental, financial position and valuation measures. Thereafter, Miller Equity Capital Advisors' own analysts perform fundamental analyses prior to purchasing the securities for client portfolios.

**Investment Strategies**

Miller Equity Capital Advisors primarily recommends index investments predominantly with domestic and international stocks, and domestic bonds. Index mutual funds and exchange-traded

funds offer lower transaction costs, minimal asset class drift, and greater tax efficiency. When appropriate, Miller Equity Capital Advisors may use actively managed funds to overweight the style or sector portion of the equity allocation.

The primary investment strategy used on client accounts is a strategic asset allocation utilizing a core and satellite approach. This means that we use passively-managed index and exchange-traded funds as the core investments, and then tactically overlay the core with style, sector, or actively-managed funds where there is perceived value opportunities to enhance overall portfolio returns. Portfolios are globally diversified for exposure to the global economy.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy.

### **Objectives**

There is no one particular investment portfolio that is appropriate for all individual investors. The optimal portfolio will depend on the amount and timing of cash flow needs, tax consideration and market conditions. Investment decisions should be based, therefore, on the client's objectives. Through that objective-driven process, crucial factors such as appropriate levels of risk and return are derived and optimized to achieve those objectives.

### **Tax Sensitivity**

Miller Equity Capital Advisors exercises care in the appropriate placement of investments within taxable and tax-deferred accounts. For example, Miller Equity Capital Advisors generally places index and tax-managed vehicles in taxable accounts and higher turnover mutual funds in tax-deferred accounts. However, tax considerations do not dominate Miller Equity Capital Advisors' portfolio management process.

### **Risk of Loss**

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

Miller Equity Capital Advisors reserves the right to advise clients on any other type of investment that it deems appropriate based on the client's stated goals and objectives. Miller Equity Capital Advisors may also provide advice on any type of investment held in a client's portfolio at the inception of the advisory relationship or on any investment on which the client requests advice.

### **Initial Public Offerings**

Miller Equity Capital Advisors does not participate on behalf of its clients in initial public offerings.

## ***Item 9: Disciplinary Information***

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### **Legal and Disciplinary**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Miller Equity Capital Advisors or the integrity of Miller Equity Capital Advisors' management. Although we do not believe there are any legal or disciplinary events that are material to a client's or prospective client's evaluation of Miller Equity Capital Advisors, Miller Equity Capital Advisors has had one disciplinary action taken by the Texas State Securities Board on April 2, 2007.

The disciplinary resolution resolved that: The firm, headed and owned by a CPA and CFA, provided business consulting services to clients and was believed to be incidental to the business

consulting services. When the firm voluntarily registered with Texas State Securities Board, the Board found that the consulting services engaged in prior to registration were not solely incidental. The Board granted the registration and assessed a minimal administrative fine.

### ***Item 10: Other Financial Industry Activities and Affiliations***

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#### **Financial Industry Activities – Broker/Dealer or Commodities**

Miller Equity Capital Advisors is not registered as a broker-dealer, and none of its management persons are registered representatives of a broker-dealer.

Neither Miller Equity Capital Advisors nor any of its management persons is registered as (or associated with) a futures commissions merchant, commodity pool operator, or a commodity trading advisor.

#### **Financial Industry Activities – Other Affiliations (None)**

Neither Miller Equity Capital Advisors nor any of its management persons have a material relationship or arrangement with any related person or financial industry entities, including:

1. broker-dealer, municipal securities dealer, or government securities dealer or broker
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)
3. other investment adviser or financial planner
4. futures commission merchant, commodity pool operator, or commodity trading advisor
5. banking or thrift institution
6. accountant or accounting firm
7. lawyer or law firm
8. insurance company or agency
9. pension consultant
10. real estate broker or dealer
11. sponsor or syndicator of limited partnerships.

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

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### **Code of Ethics**

Miller Equity Capital Advisors employees must comply with a Code of Ethics and Statement for Insider Trading. The Code describes the Firms' high standard of business conduct, and fiduciary duty to its clients. The Code's key provisions include:

- Statement of General Principles
- Policy on and reporting of Personal Securities Transactions
- A prohibition on Insider Trading
- Restrictions on the acceptance of significant gifts
- Procedures to detect and deter misconduct and violations
- Requirement to maintain confidentiality of client information

Miller Equity Capital Advisors' Code of Ethics incorporates the Code of Ethics and Standards of Professional Conduct upheld by Certified Financial Analyst (CFA) designated members.

The Chief Compliance Officer reviews all employee trades each quarter. His/her trades are reviewed by another member of the team. These reviews ensure that personal trading does not affect the markets, and that clients of Miller Equity Capital Advisors receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

All employees Miller Equity Capital Advisors must acknowledge the terms of the Code of Ethics at least annually.

Clients and prospective clients can obtain a copy of Miller Equity Capital Advisors' Code of Ethics by contacting Mark Miller at 972.490.4345.

### **Participation or Interest in Client Transactions – Personal Securities Transactions**

Miller Equity Capital Advisors and its employees may buy or sell securities identical to those recommended to clients for their personal accounts. These trades may not occur ahead of client trades. The Code of Ethics, described above, is designed to assure that the personal securities transactions, activities and interests of the employees of Miller Equity Capital Advisors 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. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Miller Equity Capital Advisors' clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Miller Equity Capital Advisors and its clients.

**Participation or Interest in Client Transactions – Aggregation**

Miller Equity Capital Advisors and its employees may not trade in the same securities with client accounts on an aggregated basis.

***Item 12: Brokerage Practices***

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**Research and Other Soft Dollar Benefits**

Miller Equity Capital Advisors does not receive soft dollar benefits other than execution from broker/dealers in connection with client securities transactions.

**Brokerage for Client Referrals**

Miller Equity Capital Advisors does not receive client referrals from broker/dealers.

**Directed Brokerage**

Miller Equity Capital Advisors does not have any affiliation with custodians, broker/dealers, or product sales firms. Specific custodian recommendations are made to clients based on their need for such services. Miller Equity Capital Advisors recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

Miller Equity Capital Advisors does not receive fees or commissions from any of these arrangements.

If the client requests Miller Equity Capital Advisors to arrange for the execution of brokerage transactions for the client's account, Miller Equity Capital Advisors shall direct such transactions through broker-dealers that Miller Equity Capital Advisors reasonably believes will provide best execution. Miller Equity Capital Advisors shall periodically and systematically review its policies and procedures regarding recommending broker-dealers to its client in light of its duty to obtain best execution.

Miller Equity Capital Advisors shall generally recommend that portfolio management clients establish brokerage accounts with Vanguard Financial Services, a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts.

Miller Equity Capital Advisors is independently owned and operated and not affiliated with Vanguard Financial Services. The brokerage commissions and/or transaction fees charged by Vanguard Financial Services or any other designated broker-dealer are exclusive of and in addition to Miller Equity Capital Advisors' fees.

**Client Directed Brokerage**

While not routine, the client may direct Miller Equity Capital Advisors to use a particular broker-dealer to execute some or all transactions for the client. This brokerage direction must be requested by the client in writing. In that case, the client will negotiate terms and arrangements for the account with that broker-dealer, and Miller Equity Capital Advisors will not seek better

execution services or prices from other broker-dealers or be able to “batch” client transactions for execution through other broker-dealers with orders for other accounts managed by Miller Equity Capital Advisors. By directing brokerage, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Not all advisers require or allow their clients to direct brokerage. Subject to its duty of best execution, Miller Equity Capital Advisors may decline a client’s request to direct brokerage if, in Miller Equity Capital Advisors’ sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

### **Trade Aggregation**

Miller Equity Capital Advisors does not aggregate or block trades.

## ***Item 13: Review of Accounts***

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### **Reviews**

Mark A. Miller, President, is responsible for overseeing the management of portfolios in accordance with the clients’ investment objectives and constraints. This management process includes on-going oversight of the portfolio’s investments, buying and selling securities, and communication with clients. Miller Equity Capital Advisors will purchase for discretionary accounts or recommend to non-discretionary accounts only those equity securities maintained on a working list and rated as a “buy” or “hold” by the research department. All security purchases and sales are reviewed daily by senior members of the Miller Equity Capital Advisors management.

### **Review Triggers**

Conditions that may trigger a portfolio review are changes in market, political or economic conditions, tax laws, new investment information, and changes in a client's own situation.

### **Reporting**

Each month, the custodian provides clients with an account statement for each client account, which may include individual holdings, cost basis information, deposits and withdrawals, accrued income, dividends, and performance. In addition, the custodian provides clients with trade confirmations for each position bought and sold.

Clients receive periodic communications on at least an annual basis from Miller Equity Capital Advisors. Wealth Management Agreement clients receive written quarterly updates. The written updates may include the following information: summary page with total market value, income, and asset allocation; a transaction summary with data for the reporting period; a market value statement showing individual securities owned, current value, a net worth statement, portfolio statement, and a summary of objectives and progress towards meeting those objectives.

Client meetings are encouraged and are scheduled quarterly or less frequently as specific situations dictate. Supplemental written reports, with more detailed information including investment performance, are provided to many clients.



**Financial Planning – Reviews and Reporting**

The initial financial plan is included as a component of the financial planning service. Clients may receive updated financial plans for a separate fee.

Financial Planning and Consulting clients will be reviewed as contracted for at the inception of the engagement.

Financial Planning and or Consulting clients receive reports as contracted for at the inception of the engagement.

***Item 14: Client Referrals and Other Compensation***

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**Compensation – Client Referrals**

Miller Equity Capital Advisors has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

***Item 15: Custody***

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**Custody**

Miller Equity Capital Advisors will not take custody of client assets and does not automatically debit management fees. All fees are invoiced and paid directly by clients. Client investment assets will be held with a custodian agreed upon by the client and Miller Equity Capital Advisors. While Miller Equity Capital Advisors will assist clients in establishing and maintaining accounts at the custodian, Miller Equity Capital Advisors shall have no responsibility or liability with respect to custodial arrangements or the acts, omissions or other conduct of the custodian.

**Custody – Account Statements**

As described in Item 13, clients receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Clients are urged to carefully review such statements and compare such official custodial records to the account statements or other reports that Miller Equity Capital Advisors provides. Miller Equity Capital Advisors statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

***Item 16: Investment Discretion***

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**Discretionary Authority for Trading and Limited Power of Attorney**

Through the investment management agreement, Miller Equity Capital Advisors may accept limited power of attorney to act on a discretionary basis on behalf of clients. A limited power of attorney allows Miller Equity Capital Advisors to execute trades on behalf of clients.

When such limited powers exist between the Miller Equity Capital Advisors and the client, Miller Equity Capital Advisors has the authority to determine, without obtaining specific client consent, both the amount and type of securities to be bought to satisfy client account objectives. Additionally, Miller Equity Capital Advisors may accept any reasonable limitation or restriction to such authority on the account placed by the client. All limitations and restrictions placed on accounts must be presented to Miller Equity Capital Advisors in writing.

If Miller Equity Capital Advisors has not been given discretionary authority, Miller Equity Capital Advisors consults with the client prior to each trade.

***Item 17: Voting Client Securities***

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**Proxy Voting – Firm does not vote**

Miller Equity Capital Advisors does not have any authority to and does not vote proxies on behalf of clients. Miller Equity Capital Advisors also does not render advice to or take any actions on behalf of clients with respect to any legal proceedings, including bankruptcies and shareholder litigation. Clients retain the responsibility for receiving and voting proxies and any legal proceedings for securities maintained in their portfolios; clients receive these corporate actions directly from either custodians or transfer agents.

If requested, Miller Equity Capital Advisors may provide advice to clients regarding proxy votes and legal proceedings. If any conflict of interest exists, it will be disclosed to the client. Clients may contact Miller Equity Capital Advisors at 972-490-4345 for information about proxy voting.

***Item 18: Financial Information***

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**Financial Condition**

Miller Equity Capital Advisors has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Miller Equity Capital Advisors is not required to provide a balance sheet; Miller Equity Capital Advisors does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.

***Other Information***

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**Privacy**

Miller Equity Capital Advisors is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver our Privacy Notice to you annually, in writing.

**Business Continuity Plan**

Miller Equity Capital Advisors has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people. The Business Continuity Plan covers natural and man-made disasters. Electronic files are backed up daily and systematically archived offsite.

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. Miller Equity Capital Advisors' intention is to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

# Miller Equity Capital Advisors

## Miller Equity Capital Advisors Form ADV Part 2B Investment Adviser Brochure Supplement

**Supervisor: Mark A. Miller**

**Supervisor of:**  
Gene S. Gurley

**February 16, 2012**

This brochure supplement provides information about the Firm's Supervised Persons that supplements the Miller Equity Capital Advisors brochure. You should have received a copy of that brochure. Please contact Mark Miller if you did not receive Miller Equity Capital Advisors brochure or if you have any questions about the contents of this supplement.

Additional information about the Firm's Supervised Persons is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## ***Educational Background and Business Experience***

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### **Education and Business Background**

Miller Equity Capital Advisors requires that advisers in its employ have a bachelor's degree and further coursework demonstrating knowledge of investment management, financial planning and tax planning. Examples of acceptable coursework include: an MBA, a CFP®, a CFA, a ChFC, JD, CTFA, EA or CPA. Additionally, advisers must have work experience that demonstrates their aptitude for financial planning and investment management.

### **Professional Certifications**

Miller Equity Capital Advisors supervised persons may maintain professional designations, which required the following minimum requirements:

### **CFA - Chartered Financial Analyst**

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals.

There are currently more than 90,000 CFA charterholders working in 134 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

### **High Ethical Standards**

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charterholders to:

- Place their clients' interests ahead of their own
- Maintain independence and objectivity
- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters

### **Global Recognition**

Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charterholders—often making the charter a prerequisite for employment.

Additionally, regulatory bodies in 22 countries and territories recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities

around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.

### **Comprehensive and Current Knowledge**

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

To learn more about the CFA charter, visit [www.cfainstitute.org](http://www.cfainstitute.org).

### **CFP® - CERTIFIED FINANCIAL PLANNER™**

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;

- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

## **CPA – Certified Public Accountant**

CPAs are licensed and regulated by their state boards of accountancy. While state laws and regulations vary, the education, experience and testing requirements for licensure as a CPA generally include minimum college education (typically 150 credit hours with at least a baccalaureate degree and a concentration in accounting), minimum experience levels (most states require at least one year of experience providing services that involve the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, all of which must be achieved under the supervision of or verification by a CPA), and successful passage of the Uniform CPA Examination. In order to maintain a CPA license, states generally require the completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over a two year period or 120 hours over a three year period). Additionally, all American Institute of Certified Public Accountants (AICPA) members are required to follow a rigorous *Code of Professional Conduct* which requires that they act with integrity, objectivity, due care, competence, fully disclose any conflicts of interest (and obtain client consent if a conflict exists), maintain client confidentiality, disclose to the client any commission or referral fees, and serve the public interest when providing financial services. The vast majority of state boards of accountancy have adopted the AICPA’s *Code of Professional Conduct* within their state accountancy laws or have created their own.

**PFS – Personal Financial Specialist**

The PFS credential demonstrates that an individual has met the minimum education, experience and testing required of a CPA in addition to a minimum level of expertise in personal financial planning. To attain the PFS credential, a candidate must hold an unrevoked CPA license, fulfill 3,000 hours of personal financial planning business experience, complete 80 hours of personal financial planning CPE credits, pass a comprehensive financial planning exam and be an active member of the AICPA. A PFS credential holder is required to adhere to AICPA's *Code of Professional Conduct*, and is encouraged to follow AICPA's *Statement on Responsibilities in Financial Planning Practice*. To maintain their PFS credential, the recipient must complete 60 hours of financial planning CPE credits every three years. The PFS credential is administered through the AICPA.

**Supervisor**

***Mark Anthony Miller***

*Year of Birth: 1955*

**Business Background:**

|  |                |
|--|----------------|
| Miller Equity Capital Advisors<br>President and Chief Compliance Officer | 1996 – Present |
| The Harrington Corporation<br>President                                  | 1985 – 1996    |
| Ernst and Young, LLP<br>Manager  | 1978 – 1984    |

**Education:**

|                                      |                  |
|--------------------------------------|------------------|
| MBA<br>Southern Methodist University | Dallas, Texas    |
| BS, Accounting<br>Harding University | Searcy, Arkansas |

**Professional Designations and Licenses:**

Chartered Financial Analyst (CFA)

Certified Public Accountant (CPA)

Personal Financial Specialist (PFS)

Member of:

- CFA Institute
- CFA Institute of Dallas-Fort Worth
- American Institute of Certified Public Accounts
- Texas Society of Certified Public Accountants
- Dallas Chapter of Certified Public Accountants



## Supervised Persons

***Gene Steven Gurley***

*Year of Birth: 1953*

### **Business Background:**

Miller Equity Capital Advisors  
Chief Information Officer / Analyst / Advisor

2007 – Present

Independent Consultant

2006 – 2007

Motorola, Inc.

1995 – 2006

Director, Engineering Operations Manager

### **Education:**

MBA

Southern Methodist University

Dallas, Texas

MS, Electrical Engineering

BS, Electrical Engineering

University of Illinois

Champaign, Illinois

### **Professional Designations and Licenses:**

CERTIFIED FINANCIAL PLANNER™ Professional (CFP®)

Project Management Professional (PMP)

Six Sigma – Green Belt

Member of:

- Project Management Institute
- Project Management Institute of Fort Worth

Series 65

## ***Disciplinary Information***

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Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Miller Equity Capital Advisors or the integrity of Miller Equity Capital Advisors' management. Although we do not believe there are any legal or disciplinary events that are material to a client's or prospective client's evaluation of Miller Equity Capital Advisors, Miller Equity Capital Advisors has had one disciplinary action taken by the Texas State Securities Board on April 2, 2007.

The disciplinary resolution resolved that: The firm, headed and owned by a CPA and CFA, provided business consulting services to clients and was believed to be incidental to the business consulting services. When the firm voluntarily registered with Texas State Securities Board, the Board found that the consulting services engaged in prior to registration were not solely incidental. The Board granted the registration and assessed a minimal administrative fine.

## ***Other Business Activities***

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As disclosed in Form ADV Part 2A Item 10 – Other Financial Industry Activities and Affiliations, Miller Equity Capital Advisors nor any supervised person is actively engaged in any outside business activities.

As disclosed in Form ADV Part 2A Item 6 – Performance-based Fees and Side-by-Side Management, neither Miller Equity Capital Advisors nor any supervised persons receive commissions, bonuses or other compensation based on the sale of securities or other investment products.

## ***Additional Compensation***

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No Supervised Person receives any economic benefit outside of regular salaries or bonuses related to amount of sales, client referrals or new accounts.

## ***Supervision***

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Mark Miller supervises all persons named in this Form ADV Part 2B Investment Adviser Brochure Supplement. He supervises these persons by holding regular staff, investment and other ad hoc meetings. In addition, he regularly reviews client reports, emails, and trading, as well as employees' personal securities transaction and holdings reports. Mark Miller may be reached at 972-490-4345.