

## TECHNICAL MANAGEMENT GROUP, INC.

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March 2, 2012

This Brochure provides information about the qualifications and business practices of Technical Management Group, Inc. If you have any questions about the contents of this Brochure, you may contact us at (971) 218-4053, or email [technicalmanagement@comcast.net](mailto:technicalmanagement@comcast.net) to obtain answers and additional information. Technical Management Group, Inc. is a registered investment advisor with the Securities and Exchange Commission. Registration of an investment adviser does not imply any level of skill or training. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC).

Additional information about Technical Management Group, Inc. is available on the SEC's website at [www.Adviserinfo.sec.gov](http://www.Adviserinfo.sec.gov).

## Item 2 – Material Changes

There have been no material changes since our previous annual update to our Brochure. The date of our previous annual update to our Brochure was March 31, 2011.

Our Brochure is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Technical Management Group, Inc. is 148540. We may provide ongoing disclosure information about material changes as necessary and 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 Steven Beranek at (971) 218-4053 or by email to [technicalmanagement@comcast.net](mailto:technicalmanagement@comcast.net).

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FORM ADV PART 2A – FIRM BROCHURE

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**Item 4 – Advisory Business**

- A** Technical Management Group, Inc. (“TMG” “we” “us” and “Advisor”) is an Oregon corporation registered as an investment advisor under the laws of the Securities and Exchange Commission. Our principal place of business is located in Salem, Oregon. Steven Beranek is the President and sole owner of Technical Management Group, Inc. which he founded in 2008.
- B, C** We offer a wide range of investment advisory services to our Clients. Advice and services are tailored to the stated objectives of each Client. Generally, we have the authority to determine, without obtaining specific Client consent, the securities bought or sold and the amount of securities bought or sold and commission rates paid. The only restrictions on the above discretionary authority are those set by Clients on a case-by-case basis.
- D** We do not participate in any wrap fee programs.
- E** We manage \$45,347,7668 of Client assets on a discretionary basis, and no Client assets on a non-discretionary basis. These amounts were calculated as of December 31, 2011.

## Item 5 – Fees and Compensation

- A** We are a fee-only advisory firm, meaning we are compensated only by our Clients and do not receive compensation or commissions from any other parties. We believe this method of compensation minimizes conflicts of interest.

In consideration for our services, Clients pay us a fee quarterly in advance, with payment due within 10 days from the date of the invoice. The fee will be equal to the agreed upon rate per annum, times the market value of the account, divided by the number of days in the agreed upon year and multiplied by the number of days in the quarter.

Compensation to TMG for its services will be calculated in accordance with fees set-forth in “Schedule A” of the Investment Advisory Agreement (“IAA”) which is entered with each Client when we begin our professional relationship. We reserve the right to amend the fee upon 30-days prior written notice to each Client.

### STANDARD FEE SCHEDULE

#### **Schedule A**

<b><u>Assets</u></b>	<b><u>Maximum Annual Fee</u></b>
Under \$500,000	2.00%
\$500,000 to \$1 million	1.50%
\$1 million and above	1.00%

Notwithstanding the above, fees are generally negotiable.

For purposes of determining value, securities and other instruments traded on a market for which actual transaction prices are publicly reported shall be valued at the last reported sale price on the principal market in which they are traded. Other readily marketable securities shall be priced using a pricing service or through quotations from one or more dealers. All other assets shall be valued at fair value by TMG whose determination shall be conclusive. The Advisor may modify the terms in this Section prospectively on at least 30-days prior written notice.

- B** Our fees may be paid directly to us from the account by the custodian holding a Client’s assets upon submission of an invoice to the custodian showing the amount of fees, the value of the Client’s assets on which the fees are based, and the specific manner in which the fees are calculated. Payment of fees may result in the liquidation of Client’s securities if there is insufficient cash in the account. Copies of the fee invoices will be mailed to each Client as required. Clients bear the responsibility for verifying the accuracy of fee calculations.

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- C** Client may be required to pay a proportionate share of any mutual fund's fees and charges, brokerage commissions, stock transfer fees, and other similar charges incurred in connection with transactions for the account will be paid out of the assets in the account and are in addition to the investment management fees paid to us.
- D** The Investment Advisory Agreement may be terminated at any time by either party by written notice to the other party as set in the Investment Advisory Agreement. The market value of the assets will be construed to equal the sum of the values of all assets in the account, not adjusted by any margin debit. Fees for partial quarters at the commencement or termination of this Agreement will be billed or refunded on a pro-rated basis contingent on the number of days the account was open during the quarter. Quarterly fee adjustments for additional assets received into the account during a quarter or for partial withdrawals will also be provided on the above pro rata basis.
- E** We are a fee-only investment advisory firm paid on a percentage of Client assets managed. We accept no commissions, referral fees, soft dollars, or other hidden costs often associated with the money management industry.

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

We do not charge any performance-based fees for our services. Accordingly, this Item is not applicable to our firm.

### Item 7 – Types of Clients

We provide investment advice to the following types of Clients:

- Individuals
- Pension and Profit Sharing Plans
- Trusts, Estates and Charitable Organizations

Because each Client is unique, they must be willing to be involved in the planning and ongoing processes. Such involvement does not have to be time consuming, however we want our Clients to remain informed and have a sense of security about their investments.



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

**A** We offer advice on investments primarily including (but not limited to) the following:

- Equity securities such as:
  - Exchange-listed securities
  - Securities traded over-the-counter
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Investment company securities:
  - Variable Life Insurance
  - Variable Annuities
  - Mutual fund shares
- United States government securities
- Options contracts on:
  - Securities
- Interests in partnerships investing in:
  - Real Estate
  - Oil and Gas

Our primary investment strategies used to implement investment advice given to Clients include long-term (securities held at least one year) and short-term purchases (securities sold within a year) purchases.

We research and analyze securities using fundamental, technical methods. The main sources of information we rely upon when researching and analyzing securities include financial newspapers and magazines; research materials prepared by others; annual reports, prospectuses, filings with the Securities and Exchange Commission; and company press releases.

**B** We will use our best judgment and good faith efforts in rendering services to our Clients. However, we cannot warrant or guarantee any particular level of account performance, or that an account will be profitable over time. Not every investment decision or recommendation made by us will be profitable. Clients assume all market risk involved in the investment of account assets under the Investment Advisory Agreement and understands that investment decisions made for this account are subject to various market, currency, economic, political and business risks.

The above language does not relieve TMG from any responsibility or liability we may have under state or federal statutes such as the Advisers Act of 1940.

Except as may otherwise be provided by law, we are not liable to Clients for:

- Any loss that a Client may suffer by reason of any investment decision made or other action taken or omitted in good faith by us with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use;
- Any loss arising from our adherence to a Client's instructions; or
- Any act or failure to act by a custodian of a Client's account.

It is the responsibility of each Client to give us complete information and to notify us of any changes in financial circumstances or goals.

- C** While all investing involves risks of loss, as referenced above, our advisory services generally recommend equities, ETFs and mutual funds which do not involve significant or unusual risks.

### **Item 9 – Disciplinary Information**

We are required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of our firm, or the integrity of our management. We have no information to disclose applicable to this Item.

**Item 10 – Other Financial Industry Activities and Affiliations**

We do not participate in any other material activities and have no other financial industry affiliations to disclose.

**Item 11 – Code of Ethics, Participation or Interest in Client Transactions  
& Personal Trading**

- A** TMG has a Code of Ethics which all employees are required to follow. The Code of Ethics outlines proper conduct related to all services provided to Clients. Prompt reporting of internal violations is mandatory. A copy of the Code of Ethics is available to any Client or prospective Client upon request.
- B-D** TMG or individuals associated with us may buy and sell some of the same securities for its own account that we buy and sell for our Clients. In all instances, where appropriate we will purchase a security for all of our existing accounts for which the investment is appropriate before purchasing any of the securities for our own account and, likewise, when we determine that securities should be sold, where appropriate will cause these securities to be sold from all of our advisory accounts prior to permitting the selling of the securities from our accounts. In some cases we may buy or sell securities for our own account for reasons not related to the strategies adopted by our Clients.

When we are newly engaged by an investment advisory Client for whom we expect to recommend securities in which we or our principal holds a position, we will notify the new Client of its policies in respect to officers trading for their own account.

We will disclose to advisory Clients any material conflict of interest which could reasonably be expected to impair the rendering of unbiased and objective advice.

## Item 12 – Brokerage Practices

- A** Our Clients' assets are held by independent third-party custodians. Except to the extent that a Client directs otherwise, we may use our discretion in selecting or recommending the custodian. Clients are not obligated to effect transactions through any custodian recommended by us. In recommending a custodian we will comply with our fiduciary duty in accordance with the Securities Exchange Act of 1934, to obtain best execution and will take into account such relevant factors as:
- Price;
  - The custodian's facilities, reliability and financial responsibility;
  - The ability of the custodian to effect transactions, particularly with regard to such aspects as timing, order size and execution of order;
  - The research and related brokerage services provided by such custodian to us, notwithstanding that the account may not be the direct or exclusive beneficiary of such services; and
  - Any other factors that we consider to be relevant.
- B** We are authorized in our discretion to aggregate purchases and sales and other transactions made for the account with purchases and sales and other transactions in the same or similar securities or instruments for other Clients. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the account will be deemed to have purchased or sold its proportionate share of the securities or instruments involved at the average price so obtained. We will direct that confirmations of any transactions effected for a Client's account to be sent, in conformity with applicable law, to each Client.

**Item 13 – Review of Accounts**

- A** Accounts are conducted and reviewed by Steve Beranek. Reviews are conducted annually, or at the Client's request, whichever is more frequent, and will include a review of all transactions in the portfolio for the period as well as an analysis regarding asset allocation, tax-loss harvesting, portfolio rebalancing and investment manager review.
- B** More frequent reviews may also be triggered by a change in Client's investment objectives; tax considerations; large deposits or withdrawals; large sales or purchases; loss of confidence in corporate management; or, changes in macro-economic climate.
- C** All of our Clients receive written asset allocation reports on a quarterly or more often basis. All Clients also receive account statements from the independent custodian holding their accounts on a quarterly or more often basis.

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

We have no arrangements, written or oral, in which we compensate others or are compensated for Client referrals.



### Item 15 – Custody

Other than having the ability to deduct our fees from a Client's account, we do not have custody of the assets in the account and shall have no liability to the Client for any loss or other harm to any property in the account, including any harm to any property in the account resulting from the insolvency of the custodian or any acts of the agents or employees of the custodian and whether or not the full amount or such loss is covered by the Securities Investor Protection Corporation ("SIPC") or any other insurance which may be carried by the custodian. Clients understand that SIPC provides only limited protection for the loss of property held by a broker-dealer.

## **Item 16 – Investment Discretion**

Except as otherwise instructed, Clients grant us ongoing and continuous discretionary authority to execute its investment recommendations in accordance with a Statement of Investment Policy (or similar document used to establish a Client's objectives and suitability), without the Client's prior approval of each specific transaction. Under this authority, Clients allow us to purchase and sell securities and instruments in this account, arrange for delivery and payment in connection with the foregoing, select and retain sub-advisors, and act on behalf of the Client in most matters necessary or incidental to the handling of the account, including monitoring certain assets.

In some circumstances, Clients grant us non-discretionary authority to execute its investment recommendations in accordance with a Statement of Investment Policy (or similar document used to establish Client's objectives and suitability). Non-discretionary authority requires us to obtain a Client's prior approval of each specific transaction prior to executing investment recommendations, as well as for the selection and retention of sub-advisors to the account.

All transactions in a Client's account are made in accordance with the directions and preferences provided to us by each Client. Clients execute instructions regarding our trading authority as required by each custodian.

### **Item 17 – Voting Client Securities**

Unless specifically directed otherwise in writing by a Client, we are not authorized to receive and vote proxies on issues held in any Client accounts and we do not receive annual reports.

**Item 18 – Financial Information**

- A** Under no circumstances will Technical Management Group solicit or require prepayment of more than \$1,200.00, six months or more in advance, from any Client for advisory services.
- B** As noted in Item 15 above, we do not have custody of Client's funds or securities except the ability to deduct fees, and we do have discretionary authority. We have no financial commitments which would impair our ability to meet the contractual and fiduciary commitments to our Clients
- C** We have not been the subject of any bankruptcy proceedings.