

MILLER/RUSSELL & ASSOCIATES LLC

PART 2A OF FORM ADV THE BROCHURE

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This brochure describes the business practices, fee arrangements, and additional disclosures and information for Miller/Russell & Associates LLC (Miller/Russell). If you have any questions about the contents of this brochure, please contact us at 602.468.1232 or info@miller-russell.com. The information in this brochure has been filed with the SEC but not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Miller/Russell is a registered investment advisor. Registration of an investment advisor does not imply a certain level of skill or training.

Additional information about Miller/Russell is also available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

Effective October 2010, the SEC adopted amendments to ADV Part 2, the disclosure brochure that registered investment advisors are required to provide to clients and prospects. The amendments required significant changes to the content and format of the brochure. This brochure reflects those changes.

In compliance with the amendments, we now disclose information regarding the education and business backgrounds of the individuals providing advisory or consulting services in a brochure supplement.

In December 2011, we began providing tax consultation and preparation services.

Table of Contents

Material Changes.....	2
Table of Contents	3
Advisory Business.....	4
Tax Services.....	5
Fees and Compensation.....	5
Performance-Based Fees and Side-By-Side Management.....	6
Types of Clients.....	6
Methods of Analysis, Investment Strategies and Risk of Loss.....	6
Disciplinary Information.....	7
Other Financial Industry Activities and Affiliations.....	7
Code of Ethics	7
Brokerage Practices.....	8
Review of Accounts.....	10
Client Referrals and Other Compensation.....	10
Custody.....	11
Investment Discretion.....	11
Voting Client Securities.....	11
Financial Information.....	11

Advisory Business

Miller/Russell provides wealth management services to individuals and families. In addition to investment advice and as requested by our clients, we may help address their needs regarding retirement planning, taxes, estate planning, charitable giving, and insurance. Neither Miller/Russell nor any of our staff serves as an attorney, accountant, or insurance agent and our services should not be construed as such advice. Rather, we work with outside professionals to assist our clients as they navigate through these areas. To the extent requested by a client, we may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance representatives, etc.). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all decisions and is free to accept or reject any recommendation from Miller/Russell.

Miller/Russell also provides investment management and consulting services to individuals, businesses, retirement plans, trusts, estates, endowments, foundations, and other not-for-profit organizations. Our advice is specific to each client's individual goals, time horizon, risk tolerance, and investment objectives.

Miller/Russell performs consulting services for ERISA qualified plan clients to help plan sponsors meet their fiduciary responsibilities. These services may be performed for an additional fee, and in some cases, may be included in the fee charged for other advisory/consulting services provided by us.

Miller/Russell has been hired as a sub-advisor by a trust company to assist them in providing investment management services to their clients. We are engaged by the trust company, and not the individual clients of the trust company. It is the sole responsibility and discretion of the trust company to determine whether the allocations recommended by M/R are appropriate for each of their clients.

Miller/Russell is headquartered in Phoenix, Arizona with offices in Las Vegas, Nevada and San Diego, California. The firm was founded by Dennis Miller in 1991. Currently Dennis Miller and Bradley Lemon (as members of Miller/Russell Management LLC) are principal owners, with a minority interest held by Western Alliance Bancorporation (see Other Financial Industry Activities and Affiliations section). Miller/Russell is not owned or controlled by Russell Investments or any of its affiliates.

Miller/Russell advises and/or consults on \$1.26 billion (as of March 31, 2012). Approximately \$800 million is discretionarily managed. The remaining is considered non-discretionary or consists of corporate retirement plan assets for which we provide consulting services.

Miller/Russell identifies each client's financial goals and establishes a plan to assist the client in realizing those goals. In most cases we design a broadly diversified portfolio taking into consideration the risk tolerance and goals of the client. We do not sell proprietary products or have an association with any money manager to market their products. All investments used in client portfolios are selected on a non-conflicted basis.

Miller/Russell relies on the information provided by our clients and their professional advisors. We are not required to verify any information received from the client or from other professionals, and we are expressly authorized to rely on this information. It remains our clients' responsibility to promptly notify us of any changes in their investment objectives or financial situation for the purpose of evaluating their investment plan.

Tax Consultation and Tax Return Preparation

Miller/Russell provides tax planning, consultation, and advice on various tax matters for clients who engage the firm for tax services. The scope of these services depends on the needs of the client.

Fees and Compensation

The only compensation Miller/Russell receives for its services are the fees paid by our clients. We do not receive commissions for the investments that we recommend.

Fee schedule for investment management services:

Market Value	Fee Rate
On the First \$2 million	1.00%
On the Next \$3 million	.75%
On the Next \$45 million	.50%
Over \$50 million	.25%

Fee schedule for certain retirement plan consulting services (based on plan size and scope of services):

Market Value	Fee Rate
On the First \$10 million	.40%
Over \$10 million	.10%

These fee schedules include tiers where asset levels are billed at different rates. Wealth management clients may be subject to additional fees, which may be calculated based on assets or a recurring annual fee. Miller/Russell, in its sole discretion, may charge a lesser management fee and/or reduce or waive its portfolio minimum based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). Miller/Russell may charge additional fees for projects outside the scope of our normal services. We reserve the right to change the amount we charge clients with advance written notice.

Fees for tax planning, consultation and advice are billed on a quarterly basis at either an agreed upon retainer, which is billed and collected quarterly in advance, or an hourly rate, which varies depending on the skill level and experience of the staff used for the engagement.

Fees for wealth management and investment advisory services are normally billed quarterly, either in arrears or in advance. In most cases, the management or consulting fee is based on the market value of the client's portfolio. Some clients are charged a fixed fee rather than a percentage of assets. Additional services, as detailed in a consulting agreement, may be billed as hourly charges. In certain cases, accounts will be subject to a minimum administrative fee.

Fees are normally deducted directly from the clients' accounts whenever authorized. If not authorized, clients are billed directly for quarterly fees. The fees for accounts opened or closed during the quarter are prorated to reflect the time that we managed the account. For margin balances, the decision whether to employ margin is left to the client's discretion. Therefore, we do not include margin balances when calculating fees. Miller/Russell's fees are exclusive of fees charged by the custodian for transactions, electronic transfers,

custodial fees, etc. Mutual funds, separately-managed accounts, and exchange-traded funds incur expenses, which are disclosed in each fund's prospectus, and are in addition to Miller/Russell's management fee.

For additional information on our brokerage arrangements, please see Brokerages Practices on page 8.

Performance Based Fees and Side-By-Side Management

Miller/Russell does not charge performance-based fees. Side-by-side management (defined as an institutional investment advisor who manages hedge funds "side-by-side" with mutual funds) is not applicable to our firm.

Types of Clients

Miller/Russell provides investment advisory, wealth management and tax services to individuals and families. In addition, we provide investment management and consulting services to businesses, trusts, estates, retirement plans, foundations, endowments, and other charitable organizations.

Miller/Russell requires a \$2 million portfolio minimum for wealth management and investment advisory services, and \$3 million for retirement plan consulting services. This minimum may be reduced or waived at Miller/Russell's sole discretion.

Methods of Analysis, Investment Strategies and Risk of Loss

Miller/Russell's Investment Policy Committee selects securities for client portfolios from a broad universe of mutual funds, fixed-income instruments, separately-managed stock or bond portfolios, exchange-traded funds, and multi-strategy vehicles. Miller/Russell generally does not recommend or monitor individual stocks.

All investors should realize that investing in securities involves risk of loss, which they should be prepared to bear. That risk can never be eliminated. Different types of investments involve varying degrees of risk, and you should not assume that future performance of any specific investment or investment strategy (including those recommended or undertaken by Miller/Russell) will be profitable or equal any specific performance levels. These risks include stock market risk, investment style risk, country risk, emerging markets risk, currency risk, interest rate risk, income risk, call risk, credit risk, and liquidity risk. Miller/Russell uses a risk-based approach to investment selection and incorporates multi-strategy investments in its models to attempt to mitigate some of the types of risk inherent in the market.

Miller/Russell may provide investment advice regarding unaffiliated private investment funds. We may recommend, on a non-discretionary basis, that certain qualified clients consider an investment in a private investment fund. However, clients are under no obligation to invest in the fund. Miller/Russell's role is limited to its initial and ongoing due diligence and investment monitoring services of the private investment fund. If a client decides to become a private fund investor, the amount of assets invested shall be included in the assets under management for purposes of calculating our management fee.

Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to a client for review and consideration. Unlike other liquid investments that a client may maintain, private investment funds do not provide daily liquidity or

pricing. Investors in these vehicles are required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

Regarding an investment in any private investment funds owned by a client, the value of these funds will reflect either the initial purchase price or the most recent valuation provided by fund sponsor. If the valuation reflects the initial purchase price or the value at a previous date, the current value of the fund could be significantly more or less than the reflected price.

Disciplinary Information

Miller/Russell is required to disclose material facts regarding any legal or disciplinary event that is material to a client or prospect's evaluation of the integrity of our firm or our management personnel. This item is not applicable to Miller/Russell, since neither our firm nor any of our staff has had any legal or disciplinary events in the company's history.

Other Financial Industry Activities and Affiliations

Miller/Russell is 24.9% owned by Western Alliance Bancorporation (WAL). WAL is a publicly-traded bank holding company with banking and financial service subsidiaries in Arizona (Alliance Bank of Arizona, Western Alliance Equipment Finance), California (Torrey Pines Bank), Nevada (Bank of Nevada, First Independent Bank), and Colorado (Shine Investment Advisory Services). Although M/R maintains a strategic partnership with WAL, M/R operates with complete independence, including independence with regard to investment philosophy and investment manager selection.

Miller/Russell's and WAL's strategic relationship includes an arrangement whereby we may compensate WAL employees for successful referrals of clients/customers. Although not a material consideration when referring the products and/or services of the WAL affiliates, this arrangement presents the potential for a conflict of interest.

Financial instruments such as Certificates of Deposit offered by Alliance Bank or another WAL affiliate may be recommended to clients. We have recommended these instruments in the past when it is in the best interest of the client, and when interest earned is at or above competitive market rates. However, because of our affiliation with WAL, this arrangement presents the potential for a conflict of interest. Similar financial instruments are available to clients through other non-affiliated sources.

Code of Ethics

Miller/Russell recognizes the fiduciary responsibility we owe to our clients, including the avoidance of activities, interests, and relationships that run contrary to (or appear to run contrary to) our clients' best interests. Accordingly, we have adopted a Code of Ethics to ensure that our employees:

- ❖ Act with honesty, integrity, competence, diligence, respect, and in an ethical manner with the public, clients, prospective clients, employers, employees, and colleagues.
- ❖ Place the integrity of the investment profession and the interests of clients above one's own personal interests.

- ❖ Adhere to the fundamental standard that one should not take inappropriate advantage of one's position.
- ❖ Avoid any actual or potential conflicts of interests.
- ❖ Conduct all personal securities transactions in a manner consistent with the policy.
- ❖ Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities.
- ❖ Practice and encourage others to practice in a professional and ethical manner that will reflect credit on oneself and the profession.
- ❖ Promote the integrity of, and uphold the rules governing, capital markets.
- ❖ Maintain and improve one's professional competence and strive to maintain and improve the competence of other investment professionals.
- ❖ Comply with applicable provisions of the federal and state securities laws.

Miller/Russell may recommend and utilize investments in its client portfolios in which the firm or our employees also invest. We recognize that this may present a potential conflict of interest for securities that are not open-ended mutual funds or another exempt security. Because we primarily recommend and use mutual funds in our client accounts, the risk of a conflict is minimal. However, the Code of Ethics requires all employees to report personal securities holdings and transactions of non-exempt securities, which allows management to address any conflicts that may exist and to ensure that our clients' interests are placed above all else.

We will provide a full copy of our firm's Code of Ethics upon request.

Brokerage Practices

Miller/Russell does not maintain custody of assets that we manage or advise, although we may be deemed to have custody if you give us the authority to directly debit fees (See the Custody section on page 11). We require all of our clients to establish accounts with a qualified custodian. We may recommend that you use Charles Schwab & Co., Inc. ("Schwab"), a registered broker/dealer, member SIPC, as the qualified custodian. While we may recommend that you use Schwab, you ultimately decide whether to do so and you will open your account with Schwab by entering into an account agreement directly with them. Miller/Russell is independently owned and operated and is not affiliated with Schwab.

For certain 529 plans, retirement plan assets, and other investments, Miller/Russell may recommend a custodian or trust company other than Schwab to custody your assets.

Miller/Russell seeks to use a custodian/broker who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other providers and their services. We consider a number of factors including:

- Combination of transaction execution services and custody services (generally without a separate fee for custody)
- Capability to facilitate transfers and payments to and from accounts
- Breadth of available investment products
- Availability of research and tools that help us make investment decisions
- Quality of services

- Competitiveness of cost of services and willingness to negotiate pricing
- Reputation, financial strength, and stability
- Prior service to us and our clients
- Availability of other products and services that benefit us, as discussed below

At Miller/Russell, we mainly execute trades in open-end institutional mutual funds. Timing and pricing are irrelevant with regard to mutual fund trading. Trading and management of managed equity securities are mainly performed by separate account managers. We and the client rely on the expertise of these managers to execute trades in the best interests of the client.

We sometimes utilize individual bonds for specific clients, and we have limited choices for the sale and purchase of such bonds. For a bond sale, we obtain multiple price quotes to determine the best price for the client. Other factors, however, may prevail in determining the best choice for execution of a bond purchase. In addition to pricing, bond inventory, access to original issue bonds, service, and responsiveness of vendor, along with numerous other factors, can play a role in determining best execution for a bond transaction.

For our clients' accounts that Schwab maintains, Schwab does not charge separately for custody services (with the exception of specific alternative investment vehicles), but is compensated by charging fees on trades that it executes or that settle into your Schwab account. For some accounts, Schwab may charge an asset-based fee, which is a percentage of the dollar amount of assets in the account. Schwab's fees were negotiated based on the condition that our clients collectively maintain a minimum asset level in accounts at Schwab. This commitment benefits you because the overall fees you pay are lower than they would be otherwise.

For certain individual bond purchases, Schwab charges a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker/dealer but where the securities bought, or the funds from the securities sold, are settled into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker/dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those we listed above.

Schwab provides Miller/Russell and our clients with access to its institutional trading and custody services, and other related services, which are typically not available to Schwab retail investors. These services are generally available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisers' clients' assets are maintained in accounts at Schwab. Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

With the exception of an infrequent original issue bond purchase, Miller/Russell does not normally aggregate trades.

Miller/Russell does not participate in any formal soft dollar arrangements. However, service providers including custodians, vendors, and fund managers may make available to Miller/Russell products and services (such as publications and conferences) that benefit our firm but may not directly benefit our clients' accounts.

Schwab provides some products and services to Miller/Russell that benefits our firm but may not directly benefit our clients' accounts. Many of these products and services assist us in managing and administering our client accounts. These include software and other technology that (1) provide access to client account data (such as trade confirmations and account statements); (2) facilitate trade execution; (3) facilitate payment of management fees from our clients' accounts; and (4) assist with back-office functions, recordkeeping, and client reporting.

Schwab also offers other services intended to help our firm manage and further develop our business enterprise. These services may include: (1) compliance, legal, and business consulting; (2) publications and conferences on practice management and business succession; and (3) access to employee benefits providers, human capital consultants, and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to Miller/Russell. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to us. Schwab may also provide other benefits such as educational events or occasional business entertainment of Miller/Russell personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, M/R may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely the nature, cost, or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

From time to time, M/R may make an error in submitting a trade order on a client's behalf. When this occurs, M/R may place a correcting trade with the broker/dealer which has custody of the account. For accounts that are custodied at Schwab, If an investment gain results from the correcting trade, the gain will remain in your account unless the same error involved other client account(s) that should have received the gain, it is not permissible for you to retain the gain, or we confer with you and you decide to forego the gain (e.g., due to tax reasons). If the gain does not remain in your account, Schwab will donate the amount of any gain \$100 and over to charity. If a loss occurs greater than \$100, M/R will pay for the loss. Schwab will maintain the loss or gain (if such gain is not retained in your account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in your account, they may be netted.

Review of Accounts

Miller/Russell's investment professionals review our client accounts periodically. All clients are advised that it remains their responsibility to inform Miller/Russell of any changes in their investment objectives and/or financial situation. All clients are encouraged to review investment objectives and account performance (either in person or telephonically) with our firm at a minimum on an annual basis.

Miller/Russell provides quarterly written reports to its clients that show holdings and activity of the client's portfolio, and in most cases historical performance.

Client Referrals and Other Compensation

If a client is introduced to Miller/Russell by either an unaffiliated or an affiliated person, we may pay that person a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and state securities regulations. Any referral fee is paid solely by us, and does not result in any additional cost to the client.

Miller/Russell has in place affiliated solicitation arrangements with WAL and its subsidiaries. (See the Other Financial Industry Activities and Affiliations section.)

Although Miller/Russell no longer actively participates in Schwab Advisor Network, some existing clients resulted from past participation in the program. For these referrals made during the period when we actively participated, we continue to pay Schwab a participation fee, calculated as a percentage of the fees the client pays to our firm. The participation fee is paid by Miller/Russell and not by the client.

Custody

Miller/Russell does not take custody of clients' assets, with the following exceptions. Miller/Russell has the ability, with client authorization, to directly debit management fees. Miller/Russell has been authorized by certain clients to direct checks or money transfers from client accounts to third parties. In limited situations, an employee of Miller/Russell may serve as trustee for a client, at the client's request. All client assets are held independently by unaffiliated custodians. We encourage all clients to carefully review their account statements received from the custodian and compare them to the reports provided by Miller/Russell.

Investment Discretion

For clients who have entered into a written agreement with Miller/Russell for discretionary advisory services, we maintain the authority to design initially, and subsequently make changes to, the overall investment allocation without client consent. This authority includes determining the securities to be bought and sold and the amount of securities bought and sold. It applies to the selection of managers, mutual funds, and other investment vehicles that may be used within a portfolio. The only limitations on our discretionary authority are those set by the client either within the initial advisory agreement or in writing thereafter. In addition to the written agreement with Miller/Russell, clients must give Miller/Russell limited power of attorney to execute transactions at the custodian.

Voting Client Securities

Miller/Russell does not vote proxies on behalf of our clients. Except for client assets that are managed by separate account managers (for which proxies are normally voted by the manager), the client retains the authority to vote proxies, and will receive proxies and other solicitations directly from the custodian. Miller/Russell may provide limited advice or guidance regarding a particular proxy vote at its discretion. However, we do not have proxy voting authority solely as a result of providing such advice.

Financial Information

Miller/Russell has never filed for bankruptcy, and no financial condition exists that impairs our ability to meet our contractual and fiduciary commitments to our clients.

Questions?

Miller/Russell's Chief Compliance Officer, Maureen Rzeppa, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.