



PART 2A OF FORM ADV - BROCHURE

**Verde Capital Management, Inc.
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This Brochure provides you information about the qualifications and business practices of Verde Capital Management, Inc. (referred to in this Brochure as “us,” “we,” “our” or the “firm”). If you have any questions about the contents of this Brochure, please contact us at (248) 528-1870. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

We are a registered investment adviser. Registration of an adviser does not imply any level of skill or training.

Additional information about us also is available on the SEC’s website at www.adviserinfo.sec.gov.

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ITEM 4: ADVISORY BUSINESS

Our Owners and Principals

We are a Michigan corporation established in 2008. Carl Szasz is our sole principal and owns more than twenty-five percent (25%) of our firm's common stock.

Our Advisory Services

We offer our clients advisory services including financial planning and investment management.

Financial Planning Services

We offer clients a diverse menu of financial planning services including:

- Investment Planning;
- Retirement Planning;
- Estate Planning;
- Charitable Planning;
- Education Planning;
- Business Planning; and
- Asset Protection Planning.

If you would like us to provide financial planning services, we will enter into a financial planning agreement with you setting forth the terms and conditions of our engagement, describing the scope of our services to be provided, and our fee. Generally, our financial planning services involve preparing a financial plan or rendering a financial consultation for you based upon an analysis of the documents and information you provide us. We consult with you to discuss your goals, objectives, risk tolerance, and any special or particular circumstance unique to you. We will rely on the information you or your attorney, accountant or other professional provides to us and will not verify this information when preparing our recommendations. After analyzing your individual circumstances, objectives and risk profile, we present our recommendations to you.

Our recommendations may include topics related to those listed above. To implement our advice, we may also recommend that you work with other professionals, such as attorneys or accountants, or utilize various financial products, such as insurance or securities, to implement our recommendations and to obtain your financial goals. You will be responsible for any fees associated with the services provided by other professionals. If you choose to engage us to provide other services, such as investment management, you will sign a separate investment advisory agreement and pay a separate fee in addition to our financial planning fee.

Provided that you promptly provide us all information needed to prepare the financial plan, we will prepare and deliver your financial plan to you within six months of the date of our agreement.

Investment Management – Qualified Plans

We provide investment management services to qualified retirement plans which are subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). As part of our services to qualified plans, we will act as a 3(21) and 3(38) fiduciary manager under ERISA. This means that when we are performing discretionary services on behalf of the plan, the plan fiduciary is shifting its fiduciary responsibility to us for the selection of the Plan’s investments.

For all qualified plan clients, we work with the plan fiduciary to develop a formal written investment policy statement (“IPS”) for the plan, or we review and amend the existing IPS, which establishes the plan’s specific standards and processes for investment operations. The IPS may also place restrictions on the types of investments the plan invest its assets in. We use the plan’s IPS to select, monitor, remove and replace investment alternatives available to plan participants. We also meet with plan participants periodically throughout the year to educate them on the available investment options. We also continually monitor the performance of all the plan’s investment options.

Outside Management and 401(k) Advisory Services

We also provide investment advice to retirement plan participants. If we provide you with investment management services for assets held in your retirement account, we will consider your goals and objectives; and we will make suggestions on how you might allocate plan assets among the investment options provided by your plan sponsor. You may implement our investment recommendations or we, with your authorization and using your personal identification number, will execute any agreed upon allocation changes. We will manage your retirement assets according to the terms of the investment advisory agreement we sign with you.

If our services are discontinued, you must promptly change your personal identification number so as to assure we do not have any further access to your account.

Investment Management Services

We offer investment management services through our wrap fee program. We emphasize continuous personal client contact and interaction in providing discretionary investment supervisory services. If you participate in the program, we charge you a specified fee which covers our advisory services and the fees for executing transactions within your account. We do not offer the same investment menu for non-wrap accounts.

A complete description of the program and its fees are contained in our Part 2A Appendix, which is the Program Brochure. To request a copy of the Program Brochure please contact our President and Chief Compliance Officer, Carl Szasz at (248) 528-1870 or carlszasz@verdecmm.com.

Assets Under Management

We manage your assets on either a discretionary or nondiscretionary basis. As of December 31, 2012, we had \$99,904,000 in client assets managed on a discretionary basis and \$20,000,000 in client assets managed on a non-discretionary basis.

ITEM 5: FEES AND COMPENSATION

Financial Planning and Consulting Fees

We provide financial planning consultation on a fixed fee basis of \$500 up to \$10,000, which may be negotiated depending on the nature and complexity of your circumstances. We quote a fixed dollar amount based on our estimate of our time to complete the project. Generally, fees are payable at the time our agreement is executed with you or we may prorate and assess our fee to you on a monthly basis throughout the year, depending on the amount of the fee.

Our financial planning agreement may be terminated, without cost or penalty, within the first five business days after the date on the agreement. Thereafter, you may terminate the agreement at any time by giving 10-business day's prior written notice, and we may terminate the agreement at any time by providing you 10-business day's prior notice. We prorate any financial planning fees incurred through the date of termination, and any remaining balance is charged or refunded to you, as appropriate. After the termination date, we will have no further duties or obligations to you under the financial planning agreement.

Investment Management for Qualified Plans

For our investment management services to ERISA plans, we charge an annual advisory fee of 0.10% to 2.0% of assets held in the plan's account. We bill the fee quarterly in arrears in accordance as follows:

First Quarter	March 1 – May 31
Second Quarter	June 1 – August 31
Third Quarter	September 1 – November 30
Fourth Quarter	December 1 – February 28

Outside Management and 401(k) Advisory Services

When we provide advisory services to you for your 401(k) assets, we will charge you a fee of 0.50% to 1.5% for the assets under our management depending on the complexity of your plan and the nature of your individual circumstances. In addition to our fees, you are responsible for all mutual fund expenses, transaction fees, and administrative costs charged by other parties for these accounts.

If you choose, you may grant us limited discretionary authority in the investment advisory agreement to bill your custodian directly and to instruct your custodian to deduct our advisory fees for our 401(k) advisory services directly from your account.

Investment Management Fees

If you utilize our investment management services under our wrap fee program, we charge you an annual fee based upon a percentage of the market value of your assets under our management. Our fee for the program is called a “wrap fee,” which means that our fee includes all commissions or transaction fees which otherwise would be incurred by you. Our fee schedule for our program is as follows:

<u>Assets</u>	<u>Annual Fee</u>
\$0 - \$5,000,000	1.5%
Over \$5,000,000	1.0%

A complete description of the program and its fees are contained in our Part 2A Appendix, which is the Program Brochure. To request a copy of the Program Brochure please contact our President and Chief Compliance Officer, Carl Szasz at (248) 528-1870 or carlszasz@verdecmm.com.

Other Compensation

As described in the section titled “**OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**” on page 7, Ms. Tommi Haden is also independently licensed to sell insurance through her firm, Verde Insurance Agency. As such, Ms. Haden may receive a commission for the sale of insurance products to you and other clients. Therefore, a potential conflict of interest exists when we recommend that you purchase insurance products as part of our financial planning advice. To mitigate any conflict of interest, we do not require you to purchase any recommended insurance products through Ms. Haden, and you are free to purchase the products from a different insurance agent.

Direct Billing to Your Custodian

With your authorization, we will directly debit fees from your accounts or bill you for our fees. Generally, our clients authorize us under the investment advisory agreement to deduct our fees directly from their account. If you provide us such authorization, the custodian’s periodic statements will show each fee deduction from your account. You may withdraw this authorization for direct billing of these fees at any time by notifying your custodian or us in writing. Fees paid directly by check are due upon receipt of the fee invoice.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

We do not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of your assets).

ITEM 7: TYPES OF CLIENTS

We provide financial planning and consulting services and investment management services to individuals, high net worth individuals, trusts and estates, charitable institutions, and corporations and other business entities.

We do not impose any conditions for starting or maintaining an investment management account, such as a minimum annual fee or account balance. There is no minimum account size for our financial planning services.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis

We utilize fundamental analysis to evaluate investments. Fundamental analysis is a technique that attempts to determine a security's value by focusing on the economic well-being of a financial entity as opposed to only its price movements. When conducting fundamental analysis, we will review a company's financial statements and consider factors including, but not limited to, whether the company's revenue is growing, if the company is profitable, if the company is in a strong enough position to beat its competitors in the future, and if the company is able to repay its debts. Because it can take a long time for a company's value to be reflected in the market, the risk associated with this method of analysis is that a gain is not realized until the stock's market price rises to the company's true value.

The valuation method is a technique used to calculate a theoretical value for a security in order to estimate potential future market prices. When utilizing the valuation method, we will review such things as a security's earnings per share, price to earnings and growth rate.

We also utilize technical analysis to evaluate potential investments. Unlike fundamental analysis, technical analysis does not analyze the company's value, but instead analyzes the stock's price movement in the market. Charting is a form of technical analysis in which the various technical factors are diagrammed in order to illustrate patterns. Technical analysis studies the supply and demand in the market in an attempt to determine what direction, or trend, will continue in the future. However, there are risks involved with this method, including the risk that the trends will change unpredictably, which is why we use a combination of methods and obtain information from a variety of sources.

We obtain information from a number of sources, both public and by purchase, including research materials prepared by third-parties, corporate rating services, annual reports, prospectuses and filings with the SEC and company press releases. We believe these resources for information are reliable and regularly depend on these resources for making our investment decisions; however, we are not responsible for the accuracy or completeness of this information.

Investment Strategies

We use a variety of investment strategies depending on your circumstances, financial objectives and needs. We may recommend implementing one or more of the following investment strategies: long-term purchases (held at least a year), short term purchases (held less than a year), trading (held less than 30 days), margin transactions (purchase of a security on credit extended by a securities company), and option writing (selling an option) or a combination of these strategies to help you meet your investment objectives.

We may recommend implementing these strategies using mutual funds (held directly or held within variable annuities or life insurance products), exchange traded funds and other types of investments. We often recommend mutual funds of different kinds to promote portfolio diversification within various asset classes, such as industry sectors, domestic/international, or equities/bonds. We may recommend periodic purchases, sales, and exchanges of those mutual fund shares within mutual fund families and between different mutual fund families when there are changes in your needs, market conditions, or economic developments.

Types of Investments and Risk of Loss

We offer advice about a wide variety of investment types, including mutual funds, index funds, exchange traded funds (“ETFs”), international securities and variable annuities, each having different types and levels of risk. We will discuss these risks with you in determining the investment objectives that will guide our investment advice for your account. We will explain and answer any questions you have about these kinds of investments, which present special considerations such as the following.

Investing in securities involves risk of loss that you should be prepared to bear. Obtaining higher rates of return on investments typically entails accepting higher levels of risk. We work with you to attempt to identify the balance of risks and rewards that is appropriate and comfortable for you. However, it is still your responsibility to ask questions if you do not fully understand the risks associated with any investment or investment strategy.

International investments may involve risk of capital loss from unfavorable fluctuations in currency exchange rates, differences in generally accepted accounting principles, or economic or political instability in other nations.

Also, while we strive to render our best judgment on your behalf, many economic and market variables beyond our control can affect the performance of your investments and we cannot assure you that your investments will be profitable or assure you that no losses will occur in your investment portfolio. Past performance is one relatively important consideration with respect to any investment or investment advisor, but it is not a predictor of future performance.

Mutual Funds, Index Funds and Exchange-Traded Funds

Mutual funds and ETFs typically charge their shareholders various advisory fees and expenses associated with the establishment and operation of the funds. These fees will generally

include a management fee, shareholder servicing, other fund expenses, and sometimes a distribution fee. If the fund also imposes sales charges, you may pay an initial or deferred sales charge. These separate fees and expenses are disclosed in each fund's current prospectus, which is available from the fund or we can provide it to you upon request.

Consequently, for any type of fund investment, it is important for you to understand that you are directly and indirectly paying two levels of advisory fees and expenses: one layer of fees at the fund level and one layer of advisory fees and expenses to us. Generally speaking, most mutual funds may be purchased directly, without using our services and without incurring our advisory fees.

Variable Annuities

Variable annuities are highly complex financial products offered by insurance companies. Investment in a variable annuity contract is subject to both general market risk and the insurance company's credit risk. These and other risks are described in the variable annuities' prospectuses. Variable annuities are regulated under both securities and insurance laws and related rules and regulations. Variable annuities offer various benefits and features which may or may not have value to you depending on your circumstances, which we can discuss with you. Like other types of investments, commissions are paid for the purchase of variable annuities and there may be substantial surrender charges. These commissions, surrender charges, and other expenses are disclosed in the prospectus.

Like mutual funds, insurance companies charge a variety of fees and charges against the assets invested in the separate accounts of their policy holders. As noted above, this means that there are two layers of advisory fees paid – one layer to the insurance company and one layer to our firm for our advisory services.

We do not generally recommend variable annuities due to substantial costs. However, if you come to us already owning variable annuities, and we determine that it is not suitable to liquidate them due to surrender charges, taxes, or other factors, we will review the separate accounts with you and provide investment advice concerning them, based upon our agreement with you.

ITEM 9: DISCIPLINARY INFORMATION

As a registered investment adviser, we must inform you of all material facts regarding any legal or disciplinary events that would be material to your evaluation of our firm or the integrity of our management. We have no legal or disciplinary events to disclose.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Ms. Tommi Haden is a licensed insurance agent and owner of Verde Insurance Agency. In her individual capacity, she may recommend the purchase of certain insurance products. A

conflict of interest exists to the extent that we recommend the purchase of insurance products where she receives insurance commissions or other additional compensation. However, to mitigate this conflict, if you decide to implement our recommendation to purchase insurance products you are not required to purchase insurance through Ms. Haden and you may purchase insurance products through another insurance agent of your choice.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

We have adopted a Code of Ethics (the “Code”) describing the standards of business conduct we expect all officers, directors, employees, and advisory representatives to follow. The Code also describes certain reporting requirements with which particular individuals associated with or employed by us must comply. We will provide a copy of the Code to you upon request.

Our principals and representatives will often own the same securities we recommend to you or our other clients. Generally, these securities will be shares of open ended mutual funds or stocks and bonds actively traded on a national securities exchange or market where the time and size of their purchases or sales will not affect transactions for you or our other clients. If we do recommend the purchase or sale of a thinly traded security to you, we will ensure that our principals’ and representatives’ transactions do not adversely affect you nor improperly benefit them, typically by completing our principals’ and representatives’ transactions after all your and other client transactions have been made. Orders for your account and our own accounts may sometimes be aggregated or “batched” into one large order as described in “**BROKERAGE PRACTICES**” starting on page 8.

You may request a copy of our Code by contacting our President, Carl Szasz at (248) 528-1870 or carlszasz@verdecmm.com.

ITEM 12: BROKERAGE PRACTICES

Directed Brokerage & Soft Dollars

Unless you participate in our wrap fee program, we do not require you to use a specified broker-dealer. Clients in our wrap fee program will be required to use Fidelity as the custodian.

We have established a brokerage relationship with Fidelity Institutional Wealth Services through Fidelity Brokerage Services LLC. We may recommend you establish a brokerage account with Fidelity to maintain custody of your assets and to effect trades for your account. Fidelity will provide custody and execution services in accordance with the terms set forth in your agreement. We reasonably believe that Fidelity’s blend of execution services, commission and transaction costs as well as professionalism allows us to seek best execution and competitive prices. Although we may recommend that you establish accounts at Fidelity, it is your decision to custody assets with Fidelity. We do not maintain custody of your accounts.

When we direct transactions to such broker-dealers as we select, we will seek “best execution” for your account, which is a combination of a number of judgmental factors including price, execution, quality and your needs. Recognizing the value of these judgmental factors, brokers selected may charge commissions (ticket charges) that are higher than the lowest commissions that might otherwise be available.

If your account is maintained in Fidelity’s custody, Fidelity does not charge separately for custody. Unless you participate in our wrap fee program, Fidelity is compensated by you through commissions or other transaction-related fees or securities trades that are executed through Fidelity or that settle into Fidelity accounts. We do not receive any part of these separate charges which are assessed directly to you. Fidelity does not have a role with respect to our investment advisory accounts; however, it may serve as the broker-dealer in cases where you wish to execute recommendations as part of the implementation of a financial plan. It is important to note that Fidelity does not maintain supervisory relationships with respect to us or our representatives nor are we in any way affiliated with them. We, as a firm, are independently owned and operated.

Fidelity also makes available to us other products and services that may benefit us, but which may not benefit you. These types of services will help us in managing and administering your accounts. These include software and other technology that provide access to your account data such as trade confirmations and account statements; facilitate trade executions; provide research, pricing information, and other market data; facilitate in the payment of our fees from your account; and assist with back-office functions, record-keeping, and client reporting. Many of these services may be used to service all or a substantial number of our accounts. Such research and execution related services are offered to investment advisors who utilize Fidelity. However, the commissions charged by Fidelity may be higher than those charged by a broker who does not provide the aforementioned research and execution related services.

You may direct us to utilize a specified broker-dealer, of your choosing, to effect transactions for or with your account. You should understand that, in the case of such a directed brokerage arrangement:

- you will be solely responsible for negotiating the terms and arrangements on which those brokers and dealers are engaged, and we will have no responsibility for reviewing the fairness of those terms and arrangements;
- we will not seek better execution services or prices from other brokers and dealers in connection with transactions for your account;
- we will not be able to “batch” or “aggregate” transactions for the your account with transactions for our other clients not subject to a similar such arrangement;
- we will not monitor the performance of or the services provided by the brokers and dealers so designated; and

- you 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.

However, we may seek better execution services or prices from other brokers or dealers or “batch” your transactions for execution if such action is required by law or fiduciary duties, including but not limited to, the fiduciary duty provisions under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), if you are a plan subject to ERISA, or if the designated broker or dealer is unable or unwilling to effect a particular transaction or transaction, which may occur with certain transactions involving fixed-income securities.

Aggregation of Orders

We have adopted a trade allocation policy to govern how we handle the aggregation of orders for more than one client’s account. From time to time and only where appropriate, we aggregate orders for securities transactions for more than one client and, in appropriate circumstances, include proprietary accounts. In doing so, we strive to treat each client fairly and will not favor one client or a proprietary account over another client. When executed, we will allocate the aggregated order in accordance with policies and procedures intended to achieve fair treatment. The purpose of aggregating orders is for our administrative convenience and, in some transactions, to obtain better execution for the aggregated order than might be achieved by processing each of the transactions separately.

We will not aggregate orders for a client having a directed brokerage relationship. A consequence of not aggregating your order with other orders for the same securities is that you may not obtain as good a price or as low a cost in a separate transaction as clients whose orders have been aggregated.

Each account that participates in an aggregated order will participate at the average share price for all transactions ordered by our firm in that security on a given business day. If permitted by the broker-dealer effecting the transaction, transaction costs will be shared on a pro rata basis. Some broker-dealers charge brokerage commissions to each participating client in accordance with the size of that client’s part of the aggregated order, regardless of the total size of the aggregated order. If an aggregated order is not filled in its entirety, it will be allocated among participating accounts on a pro rata basis.

ITEM 13: REVIEW OF ACCOUNTS

The frequency and triggering factors for internal account reviews depend upon the services we provide to you. We are available to meet with you on a quarterly basis to review your account. Carl Szasz and Tommi Haden share responsibility for the reviews.

If we provide you with financial planning services, we will provide a written summary of your financial situation, observations, and recommendations. If you engage us for consulting services, we will, at our option, provide a written summary.

Generally, we review portfolios in our wrap fee program on a quarterly basis. We will rebalance your account taking into consideration market conditions as well as your goals and objectives. We will provide investment reports and research papers to you during our meetings. Unless otherwise agreed upon, you will receive electronically, at least quarterly, account statements from your custodian which will reflect account balances, transactions and our advisory fees.

If we provide investment management services for your retirement assets held with a plan sponsor, we will review your account with your authorization using your personal identification number. We do not provide reports regarding these investments to you. However, your retirement plan sponsor will provide you an account specific statement for your portion of the plan assets at least quarterly.

You must contact us when a real or potential change in your financial condition occurs so we can review the portfolio along with your new information to ensure the investment strategies continue to be appropriate.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

We must inform you if we receive an economic benefit from a third party, who is not a client, for providing investment advice or other advisory services to our clients. We are also required to disclose whether we compensate anyone who is not a supervised person of our firm for client referrals. We do not receive any such benefits or have any referral or solicitation arrangements.

ITEM 15: CUSTODY

You will receive statements from the broker-dealer or other qualified custodian that holds and maintains your investment assets at least quarterly. We urge you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you, as described in the “**REVIEW OF ACCOUNTS**” beginning on page 10. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

ITEM 16: INVESTMENT DISCRETION

We generally receive discretionary authority in writing from clients at the outset of an advisory relationship in the investment management agreement. If you choose to do so, discretionary authority grants us the ability to determine, without obtaining your specific consent, the

securities to be bought or sold for your portfolio and the amount of securities to be bought or sold. As described in more detail in “**ADVISORY BUSINESS**” beginning on page 1, you may establish written investment guidelines and restrictions. In all cases, however, such discretion is to be exercised in a manner consistent with your stated investment objectives for the account and by considering the size of your account and your risk tolerance. When selecting securities and determining amounts, we observe any investment policies, limitations and restrictions you provide to us in writing.

Also, you may sign an agreement with your custodian which generally includes a limited power of attorney granting us authority to direct and implement the investment and reinvestment of your assets within the account, but not direct the assets outside of the account.

ITEM 17: VOTING CLIENT SECURITIES

As a matter of firm policy and practice, we will not be responsible for responding to proxies that are solicited with respect to annual or special meetings of shareholders of securities held in your account. Proxy solicitation materials will be forwarded to you by your custodian for response and voting.

ITEM 18: FINANCIAL INFORMATION

As a registered investment adviser, we must provide you with certain financial information or disclosures about our financial condition if we have financial commitments that impair our ability to meet contractual and fiduciary commitments to you. We have not been the subject of a bankruptcy proceeding and do not have any financial commitments that would impair our ability to meet any contractual or fiduciary commitments to you.

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