

## Item 1 - Cover Page



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**March 31, 2014**

This brochure provides information about the qualifications and business practices of Kelman-Lazarov, Inc. If you have any questions about the contents of this brochure, please contact us at (901) 685-8284 or [ron@kelman-lazarov.com](mailto:ron@kelman-lazarov.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state authority.

Kelman-Lazarov, Inc. is an investment advisory firm registered with the appropriate regulatory authority. Registration does not imply a certain level of skill or training. Additional information about Kelman-Lazarov, Inc. also is available on the SEC's website at **[www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov)**.

## Item 2 - Material Changes

This Brochure is prepared in the revised format required beginning in 2011. Registered Investment Advisers are required to use this format to inform clients of the nature of advisory services provided, types of clients served, fees charged, potential conflicts of interest and other information. The Brochure requirements include providing a Summary of Material Changes (the "Summary") reflecting any material changes to our policies, practices, or conflicts of interest made since our last required "annual update" filing. In the event of any material changes, this Summary is provided to all clients within 120 days of our fiscal year-end. Our last annual update was filed on February 25, 2013. Of course the complete Brochure is available to clients at any time upon request.

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#### ***Item 4 - Advisory Business***

##### General Information

Kelman-Lazarov, Inc. ("Kelman-Lazarov") has offered customized and confidential financial planning and investment advisory services since 1979.

Martin S. Kelman and Ronald J. Lazarov are the founding and principal owners of Kelman-Lazarov. Please see ***Brochure Supplements***, Exhibit A, for more information on these principal owners and other individuals who formulate investment advice and have direct contact with clients, or have discretionary authority over client accounts.

As of December 31, 2013, Kelman-Lazarov managed \$278,067,274 on a discretionary basis, and \$2,790,509 of assets on a non-discretionary basis.

#### **TYPES OF SERVICES OFFERED**

##### Financial Planning

Financial planning may consist of a number of services, depending on the client's needs. The planning process evaluates a client's current financial situation and proposes an action plan to help move towards setting and achieving the client's financial goals. Kelman-Lazarov has conversations with the client and reviews documents, such as income tax returns and current investments, to determine a client's current financial situation and long term financial goals.

Next the planning process identifies potential impediments to achieving the goals, as well as options for furthering the goals of the client. A financial plan is developed with recommendations to help achieve the identified financial goals, and is presented to the client for consideration. Typically Kelman-Lazarov uses computer software as part of the financial planning process.

Clients may retain Kelman-Lazarov to prepare a full financial plan, or to only give advice about a particular area of concern. Areas to be addressed may include, but are not limited to, retirement planning, funding of education, estate planning, insurance needs (disability, long-term care, and life insurance), and investment asset allocation. Clients do not have to act on the plan's recommendations, nor use Kelman-Lazarov to implement any recommendations. Clients may, however, retain Kelman-Lazarov to help implement the plan. Kelman-Lazarov may recommend seeking additional advice from an estate planning and/or tax professional as appropriate.

##### Portfolio Management

Kelman-Lazarov actively manages accounts using a long term philosophy. Investments used might include closed-end funds, exchange traded funds, open-end mutual funds, individual stocks and/or bonds, depending on the type of account and the client's investment needs and objectives. Clients benefit from the financial expertise of Ronald J. Lazarov and Martin S. Kelman, both CERTIFIED FINANCIAL PLANNERS™ with over thirty years of experience each.

Kelman-Lazarov does not serve as custodian of clients' assets. All cash and securities will be held in the custody of Pershing, LLC ("Pershing"), the clearing firm for Cetera Advisor Networks ("Cetera"). Cetera is registered with the Securities and Exchange Commission as a Registered Investment Adviser, and is a FINRA member, an insurance general agent, and Kelman-Lazarov's broker-dealer of choice. Clients do not give up any rights of ownership in their assets, and Kelman-Lazarov cannot remove cash or securities, other than for fees earned.

Kelman-Lazarov promotes a long-term philosophy in helping clients work toward achieving their financial goals. In doing so, Kelman-Lazarov offers the following fee-based managed account arrangements to clients. The following is a detailed discussion of each type of arrangement:

### **1) Prime Portfolio Services Accounts (“K-L Prime Accounts”)**

A Prime Account is a Wrap Account sponsored by Cetera. The investments selected by Kelman-Lazarov for this type of account may include closed-end funds, exchange-traded funds, open-end mutual funds, individual stocks and/or bonds, dependent upon the client’s stated needs, objectives and risk tolerance. Kelman-Lazarov uses a proprietary process to select securities and allocate assets among asset classes. It also monitors investment returns relative to appropriate benchmarks. One fee covers both investment management and transaction costs. This fee arrangement is the hallmark of a Wrap Account.

### **2) Preferred Asset Management Accounts (“K-L PAM Accounts”)**

A PAM Account operates the same as a Prime Account, except the fee is structured differently. A PAM Account has a lower investment management fee but, unlike the Prime Account, that fee does not cover transaction charges. Transaction charges, which are costs associated with purchasing and selling securities, are an additional cost.

In deciding whether to select a Prime or a PAM Account, Kelman-Lazarov will consider the anticipated frequency of trading and the types of securities to be traded, and will make a recommendation to the client. Kelman-Lazarov may have an incentive to open a PAM instead of a Prime Account based on the anticipated frequency of trading. However the lower investment management fee for PAM Accounts helps mitigate this conflict of interest, as does Cetera’s monitoring the PAM and Prime Account securities held, trading frequency, and suitability of investments for that client.

### **3) Kelman-Lazarov Select Accounts (“K-L S Select Accounts”)**

Select Accounts are fee-based advisory accounts offered by Kelman-Lazarov. Kelman-Lazarov uses a proprietary process to select and actively manage no-load mutual funds. A proprietary diversification model and computerized techniques are used to allocate assets and monitor the targeted percentages in the various asset classes. The selection of funds is, in part, based on information provided by mutual fund evaluation services not affiliated with Kelman-Lazarov. There are no transaction charges in addition to the management fee for this service.

### **4) Kelman-Lazarov Extra Accounts (“K-L E Extra Accounts”)**

Extra Accounts are actively managed and investments may include closed-end funds, exchange-traded funds, open-end mutual funds, individual stocks and/or bonds. Kelman-Lazarov uses a proprietary process to select securities, allocate assets, and monitor targeted percentages in the various asset classes. Transactions fees may be charged in addition to the management fee.

### **5) Kelman-Lazarov Retirement Plan Advisory Services**

Establishing a sound fiduciary governance process is vital to good decision-making and to ensuring that prudent procedural steps are followed in making investment decisions. Kelman-Lazarov will provide Retirement Plan consulting services to Plans and Plan Fiduciaries as described below. The appropriate Plan Fiduciary designated in the Plan documents (e.g., the Plan sponsor or named

fiduciary) will (i) make the decision to retain our firm; (ii) agree to the scope of the services that we will provide; and (iii) make the ultimate decision as to accepting any of the recommendations that we may provide. The Plan Fiduciaries are free to seek independent advice about the appropriateness of any recommended services for the Plan. Retirement Plan consulting services may be offered individually or as part of a comprehensive suite of services.

The Employee Retirement Income Security Act of 1974 ("ERISA") sets forth rules under which Plan Fiduciaries may retain investment advisers for various types of services with respect to Plan assets. For certain services, Kelman-Lazarov may be considered a fiduciary under ERISA. For example, to the extent that the Plan Fiduciaries retain Kelman-Lazarov to act as an investment manager within the meaning of ERISA § 3(38), Kelman-Lazarov will provide discretionary investment management services to the Plan.

#### Fiduciary Consulting Services

- *Non-Discretionary Investment Advice*  
Kelman-Lazarov provides Plan Fiduciaries and Plan Participants general, non-discretionary investment advice regarding assets classes and investments.
- *Investment Selection Services*  
Kelman-Lazarov will provide Plan Fiduciaries with recommendations of investment options consistent with any Investment Policy Statement of the Plan. Plan Fiduciaries retain responsibility for the final determination of investment options and for compliance with ERISA section 404(c).
- *Investment Monitoring*  
Kelman-Lazarov will assist in monitoring the plan's investment options and will make recommendations to maintain or remove and replace investment options.

#### Fiduciary Management Services

- *Discretionary Management Services*  
When retained as an investment manager within the meaning of ERISA § 3(38), Kelman-Lazarov provides continuous and ongoing supervision over the designated retirement plan assets. Kelman-Lazarov will actively monitor the designated retirement plan assets and provide ongoing management of the assets. When applicable, Kelman-Lazarov will have discretionary authority to make all decisions to buy, sell or hold securities, cash or other investments for the designated retirement plan assets in the our sole discretion without first consulting with the Plan Fiduciaries. We also have the power and authority to carry out these decisions by giving instructions, on your behalf, to brokers and dealers and the qualified custodian(s) of the Plan for our management of the designated retirement plan assets.
- *Discretionary Investment Selection Services*  
Kelman-Lazarov will monitor the investment options of the Plan and add or remove investment options for the Plan without prior consultation with the Plan Fiduciaries. Kelman-Lazarov will have discretionary authority to make and implement all decisions regarding the investment options that are available to Plan Participants.

### Non-Fiduciary Services

- *Participant Education*

Kelman-Lazarov will provide education services to Plan Participants about general investment principles and the investment alternatives available under the Plan. Education presentations will not take into account the individual circumstances of each Plan Participant. Plan participants may separately engage Kelman-Lazarov for such services relative to their individual circumstances. Plan Participants are responsible for implementing transactions in their own accounts.

- *Participant Enrollment*

Kelman-Lazarov will assist with group enrollment meetings designed to increase retirement Plan participation among employees and investment and financial understanding by the employees.

### **6) Consulting Services**

Kelman-Lazarov may provide consulting services to clients on specific financial matters. An example might include consulting with a client regarding limited financial planning questions or financial matters arising during the course of a divorce. Where Kelman-Lazarov provides only limited financial planning or general consulting services, Kelman-Lazarov will work with the client to prepare an appropriate summary of the specific project(s) to the extent necessary or advisable under the circumstances.

### Tailoring of Advisory Services

Advisory services are tailored to client's individual needs. Kelman-Lazarov spends time getting to know clients and developing a financial profile. The profile will be documented in an Investment Policy Statement, which will be updated periodically as appropriate. Areas to be explored with clients may include, but are not limited to, the client's age, investment experience, financial circumstances, investment objectives, major goals, tolerance for market fluctuations (risk tolerance), time horizon, needs for liquidity, types of securities to be invested in, and asset allocation mix. This information is used in structuring a portfolio designed to meet the client's goals. Portfolios are managed individually, with the selection and mix of investments dependent on what is suitable for each client. Therefore, investment performance varies from client to client.

To implement the client's IPS, Kelman-Lazarov will manage the client's investment portfolio on a discretionary basis or a non-discretionary basis. As a discretionary investment adviser, Kelman-Lazarov will have the authority to supervise and direct the portfolio without prior consultation with the client. Clients who choose a non-discretionary arrangement must be contacted prior to the execution of any trade in the account(s) under management. This may result in a delay in executing recommended trades, which could adversely affect the performance of the portfolio. This delay also normally means the affected account(s) will not be able to participate in block trades, a practice designed to enhance the execution quality, timing and/or cost for all accounts included in the block. In a non-discretionary arrangement, the client retains the responsibility for the final decision on all actions taken with respect to the portfolio.

Notwithstanding the foregoing, clients may impose certain written restrictions on Kelman-Lazarov in the management of their investment portfolios, such as prohibiting the inclusion of certain types of investments in an investment portfolio or prohibiting the sale of certain investments held in the

account at the commencement of the relationship. Each client should note, however, that restrictions imposed by a client may adversely affect the composition and performance of the client's investment portfolio. Each client should also note that his or her investment portfolio is treated individually by giving consideration to each purchase or sale for the client's account. For these and other reasons, performance of client investment portfolios within the same investment objectives, goals and/or risk tolerance may differ and clients should not expect that the composition or performance of their investment portfolios would necessarily be consistent with similar clients of Kelman-Lazarov.

### ***Item 5 - Fees and Compensation***

#### **General Fee Information**

Clients generally enter into one of several fee arrangements. Through association with Cetera, its broker/dealer of choice, Kelman-Lazarov offers its clients the option of investing through two advisory programs sponsored by Cetera. In the first of these programs, Preferred Asset Management (PAM) accounts pay a management fee, plus the cost of transactions in the account. Please see ***Item 12 - Brokerage Practices*** for additional information. In the second, Prime Portfolio Services (Prime) accounts pay one inclusive fee that covers both portfolio management and transaction costs. Therefore, the Prime fee schedule can be higher than the PAM fee schedule, for a particular client. This inclusive fee arrangement is known as a Wrap Account.

For K-L Extra accounts, clients pay a management fee to Kelman-Lazarov, plus the cost of transactions in the account. For K-L Select accounts, the assets are invested in no-load funds, and there are no transaction fees. These accounts are managed directly by Ron Lazarov and/or Marty Kelman, normally under a discretionary trading authorization signed by the client.

In any of the available fee arrangements, the fees noted are separate and distinct from the internal fees and expenses charged by mutual funds, Exchange Traded Funds (ETFs), or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund's prospectus or offering materials). The client should review all fees charged by funds, brokers, Kelman-Lazarov and others to fully understand the total amount of fees paid by the client for investment and financial-related services.

Portfolio management fees are generally payable quarterly, in advance. Deposits to and withdrawals from the account during the quarter are subject to proration over the quarter in determining fee calculation. If management begins after the start of a quarter, fees will be prorated accordingly. Fees are normally debited directly from client account(s), unless other arrangements are made. If the client has two or more related accounts under management with Kelman-Lazarov, they may be combined for the purpose of qualifying for applicable break points.

Either Kelman-Lazarov or the client may terminate their written agreement at any time, subject to any written notice requirements in the agreement. In the event of termination, any paid but unearned fees will be promptly refunded to the client based on the number of days that the account was managed, and any fees due to Kelman-Lazarov from the client will be invoiced or deducted from the client's account prior to termination.

#### **Financial Planning Fees**

Kelman-Lazarov, Inc. offers a variety of fee arrangements for Financial Planning services, commensurate with the service requested by the client. Planning fees will be estimated in the Financial Planning Agreement, and are based on the scope and complexity of the planning needs of

the client. Total fees may be higher or lower than estimated. The client(s) will be notified as soon as possible if Kelman-Lazarov anticipates the fee will significantly exceed the initial estimate, and a new estimate will be provided at that time. However, this is still only an estimate and actual fees may differ. On occasion a flat rate may be quoted if Kelman-Lazarov deems it appropriate. Fees are negotiable, agreed upon with the client in advance, and due upon receipt of the invoice.

Depending on the anticipated length and the complexity of the circumstances, a retainer may be required in advance. In such instances, the client will receive a monthly statement, listing the charges incurred and the balance of the retainer. Once the retainer is exhausted, Kelman-Lazarov may require additional funds to be deposited. Where no retainer is required, fees are billed monthly in arrears.

#### Portfolio Management Fees

Kelman-Lazarov may require a \$500,000 minimum balance to establish and maintain a management account, and may also impose a minimum annual fee. Kelman-Lazarov may, at its discretion, make exceptions to the foregoing or negotiate special fee arrangements where Kelman-Lazarov deems it appropriate under the circumstances.

The following is a detailed discussion of each type of fee arrangement.

#### K-L PAM/Prime

The annual fee schedule is based on a percentage of assets under management. The following represents the discounted rates that Kelman-Lazarov assesses for management of KLP accounts.

	<i>PAM*</i>	<i>Prime</i>
Up to \$1,000,000	1.20%	1.25%
\$1,000,001 - \$2,000,000	0.95%	1.00%
\$2,000,001 - \$10,000,000	0.75%	0.80%

\* In addition to the fees listed above, for PAM accounts Pershing will assess ticket charges for transactions in accounts.

Kelman-Lazarov may, at its discretion, make exceptions to the foregoing or negotiate special fee arrangements where Kelman-Lazarov deems it appropriate under the circumstances.

The maximum fee normally assessed by Cetera for this type of account is reflected below. The fee arrangement for both of Cetera's PAM and Prime accounts are similar. However, there are two options available:

	<i>PAM</i>	<i>Prime</i>
First \$250,000	2.50%	2.75%
Next \$250,000	2.25%	2.50%
Next \$500,000	1.75%	2.00%
Next \$1,500,000	1.50%	1.75%
Next \$2,500,000	1.25%	1.50%
Balance over \$5,000,000	1.00%	1.25%



The maximum fee for Prime accounts is higher than for PAM accounts; however, Prime is inclusive of all transaction charges. Transaction charges are in addition to the PAM fee. The selection of a program may be based upon the degree of trading activity anticipated and the types of securities utilized in the account. For both PAM and Prime accounts, management fees are adjusted for deposits and withdrawals in excess of \$10,000.

In addition to the fees listed above, for PAM accounts the client will also be charged transaction fees. Such fees are payable at the time orders are placed and do not include postage and handling charges and certain other miscellaneous charges. Except as otherwise noted, transaction fees include amounts paid by Cetera to Pershing for clearing and execution according to the Cetera /Pershing fee schedule, which is available upon request. Some “no load” mutual fund shares may be required to be held for a minimum time period, generally six months. If positions in such funds are liquidated or reduced prior to the end of the holding period, early redemption fees will apply.

#### K-L Select

The maximum annual fee schedule, based on a percentage of assets under management, is as follows:

0 to \$100,000	1.50%
\$100,001 to \$500,000	1.00%
\$500,001 to \$1,000,000	0.80%
\$1,000,001 to \$1,500,000	0.70%
\$1,500,001 to \$2,000,000	0.60%
Over \$2,000,000	0.50%

Fees are generally payable quarterly, in advance. Fees are prorated for deposits and withdrawals during the quarter, subject to established minimum cash flows (generally \$10,000). Kelman-Lazarov may, at its discretion, make exceptions to the foregoing or negotiate special fee arrangements where Kelman-Lazarov deems it appropriate under the circumstances. There are no transaction fees or commissions charged to the client on no-load mutual fund trades within the K-L Select account. However, Pershing, LLC, the clearing firm for Cetera, may also charge a service fee of approximately \$4.00 per transaction.

When an account is closed, Pershing, LLC, will charge appropriate ticket charges for the liquidation of any mutual fund position.

Investing in no-load mutual funds offers the benefits of diversification and professional management. Each mutual fund has an internal fee structure. Mutual fund managers charge their management fees as an internal expense to the fund. These management fees are usually based on a percentage of the total market value of the entire fund. The size of the management fee, which is set by the mutual fund company, is disclosed in the prospectus of each mutual fund.

#### K-L Extra

The maximum annual fee schedule, based on a percentage of assets under management, is as follows:

First \$1,000,000	1.15%
Next \$1,000,000	0.95%
Balance over \$2,000,000	0.80%

Fees are generally payable quarterly, in advance. In addition to the fees listed above, the client will also be charged transaction fees. Such fees are payable at the time orders are placed and do not include postage and handling charges and certain other miscellaneous charges. Except as otherwise noted, transaction fees include amounts paid by Cetera to Pershing for clearing and execution according to the Cetera/Pershing fee schedule, which is available upon request. Some “no load” mutual fund shares may be required to be held for a minimum time period, generally six months. If positions in such funds are liquidated or reduced prior to the end of the holding period, early redemption fees will apply. Kelman-Lazarov may, at its discretion, make exceptions to the foregoing or negotiate special fee arrangements where Kelman-Lazarov deems it appropriate under the circumstances.

#### Retirement Plan Consulting Fees

Fees for Retirement Plan consulting engagements are individually negotiated based upon the scope of the engagement. Fees may be set according to an hourly rate, or may be based upon the value of the assets in the Plan being advised.

#### Consulting Service Fees

Kelman-Lazarov does not have a standard fee schedule for consulting services, but will discuss appropriate fees with clients prior to rendering services. Some factors in determining appropriate fees are the time and complexity of the situation. The fee may be flat fee or an hourly fee, typically \$200 per hour, and is paid in arrears. Fees are payable when invoiced.

#### Other Compensation

Kelman-Lazarov executive officers and associates may also be Registered Representatives of Cetera Advisor Networks, LLC, 200 N. Sepulveda Blvd. Ste.1300, El Segundo, CA 90245-5670, 800/879-8100, a broker/dealer (member FINRA) and may receive usual and customary commissions associated with insurance and securities brokerage transactions. These individuals may also be licensed and appointed with various insurance companies for sale of health, disability, and long-term care and annuity products.

If a client so chooses, he or she may implement security-related investment advisory recommendations by utilizing the services of any qualified advisory associate of Kelman-Lazarov and such transactions will be effected through Cetera, since they are registered representatives of that broker/dealer. In connection with such transactions, the broker/dealer and the registered representatives may receive compensation, and certain persons may receive compensation not only for investment advisory services, but also for effecting securities transactions to implement such services. However, generally a client will not pay both an advisory fee and a commission on the same pool of assets.

Clients are under no obligation to purchase securities, insurance, and/or other products through the resources available to Kelman-Lazarov, its officers, and associated persons. The client is free to choose the source through which to implement advisory recommendations.

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

Kelman-Lazarov does not have any performance-based fee arrangements. “Side by Side Management” refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because Kelman-Lazarov has no performance-based fee accounts, it has no side-by-side management.

### ***Item 7 - Types of Clients***

Kelman-Lazarov serves individuals, pension and profit-sharing plans, corporations, trusts, estates and charitable organizations. Kelman-Lazarov may require a \$500,000 minimum balance to establish and maintain a management account. Kelman-Lazarov also may impose a minimum annual fee. Under certain circumstances and in its sole discretion, Kelman-Lazarov may negotiate such minimums.

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

#### **Methods of Analysis**

Kelman-Lazarov uses a variety of methods of analysis and investment strategies to formulate investment advice and manage assets. The primary method of analysis is fundamental analysis, looking at the financial health of the economy, industries, and individual companies. For equity securities, both quantitative analysis, such as information that might be found in a company's financial statement, and qualitative analysis, such as the tenure and experience of a company's top management, are key. This analysis helps Kelman-Lazarov formulate opinions regarding underlying strength of the security and the potential for future performance.

For bonds, the strength of the issuing corporation or municipality is stressed. For mutual funds, exchange traded funds, and closed-end funds, research as to past performance, safety ratings, fees, and the fund's manager are paramount. Instrumental to this analysis are research resources at Kelman-Lazarov's disposal, including Morningstar Office, a suite of Morningstar research and publications on a variety of asset classes. Kelman-Lazarov analyzes the research from the various resources and makes informed decisions on the allocation of funds.

Technical analysis is also, to a lesser extent, employed, looking at past performance and patterns to predict future performance. One of Kelman-Lazarov's strengths is seeking out closed-end funds trading at a discount to the fund's net asset value, tracking the 52-week moving average, and setting a target price to buy the closed-end funds when they trade at a discount greater than the norm.

#### **Investment Strategies:**

Kelman-Lazarov's investment strategy has a long-term focus and is centered on asset allocation. Asset allocation involves determining an appropriate percentage to invest in a variety of asset classes. Asset allocation is client-specific and is based on the client's Investment Policy Statement. The diversification afforded by appropriate asset allocation helps balance the risks and rewards of investing.

Being a "long-term investor" generally means that securities are purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year. From time to time, though, Kelman-Lazarov may take advantage of market fluctuations, and purchase securities with the expectation that they will be sold within a relatively short period of time, generally less than one year. This type of advice is usually the exception, and not the rule.

#### **Risk of Loss**

While Kelman-Lazarov seeks to diversify clients' investment portfolios across various asset classes consistent with each client's IPS in an effort to reduce risk of loss, all investment portfolios are subject to risks. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money.

Below is a description of several of the principal risks that client investment portfolios face.

*Management Risks.* While Kelman-Lazarov manages client investment portfolios based on Kelman-Lazarov's experience, research and proprietary methods, the value of client investment portfolios will change daily based on the performance of the underlying securities in which they are invested. Accordingly, client investment portfolios are subject to the risk that Kelman-Lazarov allocates assets to asset classes that are adversely affected by unanticipated market movements, and the risk that Kelman-Lazarov's specific investment choices could underperform their relevant indexes.

*Risks of Investments in Mutual Funds, ETFs and Other Investment Pools.* As described above, Kelman-Lazarov will often invest client portfolios in mutual funds, ETFs and other investment pools ("pooled investment funds"). Investments in pooled investment funds are generally less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment funds' success will be related to the skills of their particular managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940.

*Equity Market Risks.* Kelman-Lazarov may invest portions of client assets directly into equity investments, either stocks or pooled investment funds that invest in the stock market. As noted above, while pooled investments have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects.

*Fixed Income Risks.* Kelman-Lazarov may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

*Foreign Securities Risks.* Kelman-Lazarov may invest portions of client assets into pooled investment funds that invest internationally. While foreign investments are important to the diversification of client investment portfolios, they carry risks that may be different from U.S. investments. For example, foreign investments may not be subject to uniform audit, financial reporting or disclosure standards, practices or requirements comparable to those found in the U.S. Foreign investments are also subject to foreign withholding taxes and the risk of adverse changes in investment or exchange control regulations. Finally, foreign investments may involve currency risk, which is the risk that the value of the foreign security will decrease due to changes in the relative value of the U.S. dollar and the security's underlying foreign currency.

### ***Item 9 - Disciplinary Information***

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of Kelman-Lazarov or the integrity of Kelman-Lazarov's management. Kelman-Lazarov has no disciplinary events to report.

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

As previously described, Kelman-Lazarov executive officers and associates may also be Registered Representatives of Cetera Advisor Networks, LLC 200 N. Sepulveda Blvd. Ste.1300, El Segundo, CA 90245-5670, 800/879-8100, a broker/dealer (member FINRA) and may receive usual and customary commissions associated with insurance and securities brokerage transactions. These individuals may also be licensed and appointed with various insurance companies for sale of health, disability, and long-term care and annuity products.

Advisory associates of Kelman-Lazarov may be licensed to sell life, health, disability, and annuity products through various insurance companies and may receive compensation for these products.

Clients are under no obligation to purchase securities, insurance, and/or other products through the resources available to Kelman-Lazarov, its officers, and associated persons. The client is free to choose the source through which to implement advisory recommendations.

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

#### **Code of Ethics and Personal Trading**

Kelman-Lazarov has adopted a Code of Ethics ("the Code"), the full text of which is available to you upon request. Kelman-Lazarov's Code has several goals. First, the Code is designed to assist Kelman-Lazarov in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisers Act of 1940, Kelman-Lazarov owes fiduciary duties to its clients. Pursuant to these fiduciary duties, the Code requires persons associated with Kelman-Lazarov (managers, officers and employees) to act with honesty, good faith and fair dealing in working with clients. In addition, the Code prohibits such associated persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards for Kelman-Lazarov's associated persons. Under the Code's Professional Standards, Kelman-Lazarov expects its associated persons to put the interests of its clients first, ahead of personal interests. In this regard, Kelman-Lazarov associated persons are not to take inappropriate advantage of their positions in relation to Kelman-Lazarov clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time, Kelman-Lazarov's associated persons may invest in the same securities recommended to clients. Under its Code, Kelman-Lazarov has adopted procedures designed to reduce or eliminate conflicts of interest that this could potentially cause. The Code's personal trading policies include procedures for limitations on personal securities transactions of associated persons, reporting and review of such trading and pre-clearance of certain types of personal trading activities. These policies are designed to discourage and prohibit personal trading that would disadvantage clients. The Code also provides for disciplinary action as appropriate for violations.

#### Participation or Interest in Client Transactions

As outlined above, Kelman-Lazarov has adopted procedures to protect client interests when its associated persons invest in the same securities as those selected for or recommended to clients. In the event of any identified potential trading conflicts of interest, Kelman-Lazarov's goal is to place client interests first.

Consistent with the foregoing, Kelman-Lazarov maintains policies regarding participation in initial public offerings (IPOs) and private placements in order to comply with applicable laws and avoid conflicts with client transactions. If a Kelman-Lazarov associated person wishes to participate in an IPO or invest in a private placement, he or she must submit a pre-clearance request and obtain the approval of the Chief Compliance Officer.

Finally, if associated persons trade with client accounts (e.g., in a bundled or aggregated trade), and the trade is not filled in its entirety, the associated person's shares will be removed from the block, and the balance of shares will be allocated among client accounts in accordance with Kelman-Lazarov's written policy.

#### ***Item 12 - Brokerage Practices***

##### Best Execution and Benefits of Brokerage Selection

When given the discretion to select the brokerage firm that will execute orders in client accounts, Kelman-Lazarov seeks "best execution" for client trades, which is a combination of a number of factors, including, without limitation, quality of execution, services provided and commission rates. Therefore, Kelman-Lazarov may use or recommend the use of brokers who do not necessarily charge the lowest available commission, in recognition of that broker dealer's research and securities transaction services, or quality of execution. Research services received with transactions may include proprietary or third-party research (or any combination), and may be used in servicing any or all of Kelman-Lazarov's clients' accounts. Therefore, research services received may not necessarily be used for the account(s) for which the particular transaction was effected.

Substantially all of the clients of Kelman-Lazarov have their non-IRA accounts held in custody by Pershing, LLC, a subsidiary of the Bank of New York and one of the largest New York Stock Exchange member securities clearing firms. The custodian for IRA assets is Cetera Investment Services. While Cetera, Pershing and Kelman-Lazarov are not affiliates, as that term is defined, they do have a very close business relationship. In their capacity as registered representatives of Cetera, a registered broker/dealer, certain advisory associates may have authority to determine, without obtaining specific client consent, the securities to be bought or sold and/or the amount of securities to be bought and sold under an advisory arrangement with Kelman-Lazarov. Such authority is conferred on the representative in writing by the client, and acknowledged by Cetera.

The client is under no obligation to implement a financial plan or investment advice by purchasing securities through any officer or advisory associate of Kelman-Lazarov in his/her capacity as a registered representative of Cetera. The client is free to choose the source through which investment advisory recommendations may be implemented.

If the client chooses to implement security-related investment advisory recommendations using the services of any qualified officer or advisory associate of Kelman-Lazarov, such transactions will be effected through Cetera. Accordingly, investment products are limited to securities that are offered through Cetera. The broker/dealer is under a regulatory requirement to ensure that high standards

of commercial honor, and just and equitable principles of trade, are observed in the conduct of its business. Cetera directs the trade execution through Pershing LLC, 1 Pershing Plaza, Jersey City, NJ 07399. Other suitable investment products, lower commission rates, and more favorable execution may be available through other broker/dealers, clearing firms, or investment advisers. Kelman-Lazarov has determined that Cetera provides a high degree of qualitative execution, and reviews this process regularly to verify acceptable execution performance.

Kelman-Lazarov and its related persons do not have any arrangements where it/they are paid cash by or receive economic benefit from a non-client in connection with giving advice to clients. However, in connection with the implementation of advice, the firm, and/or its officers and/or advisory associates may receive compensation on the sale of securities and insurance products. In connection with the placement of client funds into investment companies, compensation may take the form of front-end sales charges, redemption fees, and 12(b)-1 fees, or a combination thereof. The prospectus for the investment company provides explicit detail as to the method and form of compensation.

Certain investment companies, with whom Kelman-Lazarov associates place client funds, may underwrite the expenses of various specific marketing, educational, and professional development activities. These reimbursements are not made directly to Kelman-Lazarov, but are either paid to Cetera, which reimburses Kelman-Lazarov or paid to third parties to cover specific expenses.

#### Directed Brokerage

Kelman-Lazarov does not allow directed brokerage accounts.

#### Aggregated Trade Policy

Kelman-Lazarov typically directs trading in individual client accounts as and when trades are appropriate based on the client's IPS, without regard to activity in other client accounts. However, from time to time, Kelman-Lazarov may aggregate trades together for multiple client accounts, most often when these accounts are being directed to sell the same securities at the same time. If such an aggregated trade is not completely filled, Kelman-Lazarov will allocate shares received (in an aggregated purchase) or sold (in an aggregated sale) across participating accounts on a pro rata or other fair basis; provided, however, that any participating accounts that are owned by Kelman-Lazarov or its officers, directors, or employees will be excluded first.

#### ***Item 13 - Review of Accounts***

Kelman-Lazarov periodically reviews client accounts. Securities are monitored on an ongoing basis, with formal investment reviews of accounts at least quarterly. These investment reviews consider a variety of factors including the existing asset allocation relative to the targeted allocation, and determining if the account needs to be rebalanced. The holdings are reviewed as to performance, to be sure they are suitable for the client, and with an eye to tax efficiencies. More frequent reviews might be triggered by economic or market conditions, upon a client's request, or when a client notifies Kelman-Lazarov of a change in their personal circumstances that might result in a change in their needs or objectives. Examples of changes in personal circumstances might include retiring, losing a job, or getting divorced. Reviews are conducted by Ronald J. Lazarov, President of Kelman-Lazarov, Martin S. Kelman, Chairman of Kelman-Lazarov and/or other associates.

Financial planning and consulting clients do not receive periodic reviews, but reviews are available upon client request. The nature of the review would depend upon the client's request, and would be conducted by Martin S. Kelman, Chairman of Kelman-Lazarov, and/or other associates.

Account custodians are responsible for providing monthly or quarterly account statements which reflect the positions (and current pricing) in each account as well as transactions in each account, including fees paid from an account. Account custodians also provide prompt confirmation of all trading activity, and year-end tax statements, such as 1099 forms. K-L PAM/Prime clients also receive quarterly performance reports from Cetera. Clients with K-L Select and K-L Extra accounts will also receive quarterly performance statements from Kelman-Lazarov. Verbal performance updates of all managed accounts are available upon client request. Managed account clients may also receive periodic updates, newsletters, etc., as market events dictate.

#### ***Item 14 - Client Referrals and Other Compensation***

As noted above, Kelman-Lazarov may receive an economic benefit from Pershing in the form of support products and services it makes available to Kelman-Lazarov and other independent investment advisors that have their clients maintain accounts at Pershing. These products and services, how they benefit our firm, and the related conflicts of interest are described in ***Item 12 - Brokerage Practices***. The availability of Pershing's products and services to Kelman-Lazarov is based solely on our participation in the programs and not in the provision of any particular investment advice.

From time to time, Kelman-Lazarov may enter into arrangements with third parties ("Solicitors") to identify and refer potential clients to Kelman-Lazarov. Consistent with legal requirements under the Investment Advisers Act of 1940, as amended, Kelman-Lazarov enters into written agreements with Solicitors under which, among other things, Solicitors are required to disclose their compensation arrangements to prospective clients before they enter into an agreement with Kelman-Lazarov.

#### ***Item 15 - Custody***

Pershing is the custodian of non-IRA client accounts and Cetera Investment Services is the custodian for IRA accounts. From time to time however, clients may select an alternate broker to hold accounts in custody. Clients may also hold accounts directly with mutual fund companies and insurance companies. In any case, it is the applicable custodian's responsibility to provide clients with confirmations of trading activity, tax forms and at least quarterly account statements. Clients are advised to review this information carefully, and to notify Kelman-Lazarov of any questions or concerns. Clients are also asked to promptly notify Kelman-Lazarov if the custodian fails to provide statements on each account held.

From time to time and in accordance with Kelman-Lazarov's agreement with clients, Kelman-Lazarov will provide additional reports. The account balances reflected on these reports should be compared to the balances shown on the brokerage statements to ensure accuracy. At times there may be small differences due to the timing of dividend reporting, pending trades or other similar issues.

#### ***Item 16 - Investment Discretion***

As described in ***Item 4 - Advisory Business***, Kelman-Lazarov will accept clients on either a discretionary or non-discretionary basis. For *discretionary accounts*, a Limited Power of Attorney ("LPOA") is executed by the client, giving Kelman-Lazarov the authority to carry out various activities in the account, generally including the following: trade execution; the ability to request checks on behalf of the client; and, the withdrawal of advisory fees directly from the account. Kelman-Lazarov then directs investment of the client's portfolio using its discretionary authority.



The client may limit the terms of the LPOA to the extent consistent with the client's investment advisory agreement with Kelman-Lazarov and the requirements of the client's custodian.

***Item 17 - Voting Client Securities***

As a policy and in accordance with its client agreement, Kelman-Lazarov does not have, and will not accept, authority to vote client securities. Clients will receive their proxies or other solicitations directly from the custodian. Clients may contact Kelman-Lazarov at (901) 685-8284 with questions about a particular proxy or solicitation. However, Kelman-Lazarov does not typically research nor develop a firm opinion with regard to a particular proxy or solicitation.

***Item 18 - Financial Information***

Kelman-Lazarov does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and has no financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Therefore no disclosure is required for this item.

Set forth below is the Summary of Material Changes for Kelman-Lazarov, Inc.:

<b>Date of Change</b>	<b>Description of Item</b>
September 2013	Kristin Ellis became an Investment Advisory Representative of Kelman-Lazarov, Inc. Please see <b><i>Brochure Supplements, Exhibit A</i></b> , for more information on this material change.
October 2013	Andrew D. Buzan became an Investment Advisory Representative of Kelman-Lazarov, Inc. Please see <b><i>Brochure Supplements, Exhibit A</i></b> , for more information on this material change.

# **Exhibit A**

**Item 1 - Cover Page**  
**of**  
**Brochure Supplement for**  
**Ronald Jay Lazarov, CFP®**  
**CRD# 872581**

**of**  
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March 31, 2014

This brochure supplement provides information about Ron Lazarov, and supplements the Kelman-Lazarov, Inc. ("Kelman-Lazarov") brochure. You should have received a copy of that brochure. Please contact us at (901) 685-8284 if you did not receive Kelman-Lazarov's brochure, or if you have any questions about the contents of this supplement.

Additional information about Ron is available on the SEC's website at [www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

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***Item 2 - Educational Background and Business Experience***

Ronald Jay Lazarov (year of birth 1955) is President and Co-Founder of Kelman-Lazarov. Ron concentrates on asset management and investment strategies, specializing in the areas of closed-end funds, exchange-traded funds, stocks, bonds and mutual funds.

Ron received a BBA degree in 1977 from the University of Texas in Austin, Texas. In 1979, he received an MBA in Finance from Southern Methodist University in Dallas, Texas. Upon completing those degrees, Ron founded Kelman-Lazarov in August of 1979. He completed the required coursework from the College for Financial Planning in 1983 and was subsequently awarded the CERTIFIED FINANCIAL PLANNER™ certification\*. In 1983, Ron became a member of the prestigious Registry of Financial Planning Practitioners. He is also a member of the Financial Planning Association. In 1998, Ron joined Cetera Advisor Networks, LLC as a Registered Representative and Registered Principal.

Ron serves as a Director of National Security & Trust Company and Vital Records Control. He has also served on the Board of Directors of the Memphis Zoological Society, the Fan Advisory Board of the NBA Memphis Grizzlies, and is a Past-President of Bornblum Solomon Schechter Day School.

\* The CFP® certification is granted by Certified Financial Planner Board of Standards, Inc. (CFP Board). To attain the certification, the candidate must complete the required educational, examination and experience requirements set forth by CFP Board. Certain designations, such as the CPA, CFA and others may satisfy the education component, and allow a candidate to sit for the CFP® Certification Examination. The Examination tests the candidate's ability to apply financial planning knowledge to client situations. The 10-hour exam is divided into three separate sessions over a 2-day period. At least 3 years of qualifying full-time work experience are required for certification. Qualifying experience includes work in the area of the delivery of the personal financial planning process to clients, the direct support or supervision of others in the personal financial planning process, or teaching all, or any portion, of the personal financial planning process.

### ***Item 3 - Disciplinary Information***

Advisers are required to disclose any material facts regarding certain legal or disciplinary events that would be material to your evaluation of an adviser; however, Ron has no such disciplinary information to report.

### ***Item 4 - Other Business Activities***

The principal executive officers and certain advisory associates are registered representatives and/or registered principals of Cetera Advisor Networks, LLC, a registered broker-dealer. In that capacity, they offer securities for sale for compensation, may be licensed to sell life, health, disability, and annuity products through various insurance companies and may receive compensation for these products.

Other than the sale of securities or insurance products, Ron is not engaged in any other investment-related business or occupation, and does not earn compensation for the sale of any other products or services.

### ***Item 5 - Additional Compensation***

Other than as stated above, Ron has no other income or compensation to disclose.

### ***Item 6 - Supervision***

Marty Kelman is the Chairman and co-founder of Kelman-Lazarov. Ron is the President and co-founder and also serves as Chief Compliance Officer. Both are Portfolio Managers and serve on the investment committee.

Overall investment decisions are made as a team by the investment committee, and portfolio activity based on these decisions will be carried out by these individuals, as assisted by other staff members of the firm.

As Chief Compliance Officer, Ron is responsible for providing supervisory oversight to the staff; he also participates as a team member in the investment and trading processes. Ron may be contacted at (901) 685-8284.

**Item 1 - Cover Page**  
**of**  
**Brochure Supplement for**  
**Martin Samuel Kelman, CFP®**

**CRD# 1006879**

**of**

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March 31, 2014

This brochure supplement provides information about Marty Kelman, and supplements the Kelman-Lazarov, Inc. ("Kelman-Lazarov") brochure. You should have received a copy of that brochure. Please contact us at (901) 685-8284 if you did not receive Kelman-Lazarov's brochure, or if you have any questions about the contents of this supplement.

Additional information about Marty is available on the SEC's website at [www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

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***Item 2 - Educational Background and Business Experience***

Martin Samuel Kelman (year of birth 1951) is Chairman and Co-Founder of Kelman-Lazarov. Marty helps develop investment strategies, concentrates on client needs, as well as coordinates all financial planning consulting activities for Kelman-Lazarov.

In 1973, Marty received a B.A. in History from the University of Virginia in Charlottesville, Virginia. He earned two degrees from Memphis State University (now the University of Memphis): a M.Ed. in Counseling in 1976 and an MBA in Finance in 1981. In 1984, Marty earned the CERTIFIED FINANCIAL PLANNER™ certification\*. Also in 1984, he became a member of the prestigious Registry of Financial Planning Practitioners. Marty is a member of the Financial Planning Association and is a Past-President of the Memphis Chapter for the International Association for Financial Planning. In 1998, he joined Cetera Advisor Networks, LLC as a Registered Representative.

Marty currently serves as a member of the Memphis Chapter of Facing History and Ourselves and is also a member of its National Board of Trustees. Additionally, he is a member of the Memphis Holocaust Memorial Committee and a member (past President) of the Board of Trustees for Lausanne Collegiate School. Marty has served the community in the following organizations: Board of Directors for Ridgeway Country Club; Board of Trustees for Leadership Memphis; Director for the Epilepsy Foundation; Chairman of the Memphis Youth Guidance Commission; and as Advisory Member of the Junior League.

\* The CFP® certification is granted by Certified Financial Planner Board of Standards, Inc. (CFP Board). To attain the certification, the candidate must complete the required educational, examination and experience requirements set forth by CFP Board. Certain designations, such as the CPA, CFA and others may satisfy the education component, and allow a candidate to sit for the CFP® Certification Examination. The Examination tests the candidate's ability to apply financial planning knowledge to client situations. The 10-hour exam is divided into three separate sessions over a 2-day period. At least 3 years of qualifying full-time work experience are required for certification. Qualifying experience includes work in the area of the delivery of the personal financial planning process to clients, the direct support or supervision of others in the personal financial planning process, or teaching all, or any portion, of the personal financial planning process.

### ***Item 3 - Disciplinary Information***

Advisers are required to disclose any material facts regarding certain legal or disciplinary events that would be material to your evaluation of an adviser; however, Marty has no such disciplinary information to report.

### ***Item 4 - Other Business Activities***

The principal executive officers and certain advisory associates are registered representatives and/or registered principals of Cetera Advisor Networks, LLC, a registered broker-dealer. In that capacity, they offer securities for sale for compensation, may be licensed to sell life, health, disability, and annuity products through various insurance companies and may receive compensation for these products.

Other than the sale of securities or insurance products, Marty is not engaged in any other investment-related business or occupation, and does not earn compensation for the sale of any other products or services.

### ***Item 5 - Additional Compensation***

Other than as stated above, Marty has no other income or compensation to disclose.

### ***Item 6 - Supervision***

Marty is the Chairman and co-founder of Kelman-Lazarov. Ron Lazarov is the President and co-founder and also serves as Chief Compliance Officer. Both are Portfolio Managers and serve on the investment committee.

Overall investment decisions are made as a team by the investment committee, and portfolio activity based on these decisions will be carried out by these individuals, as assisted by other staff members of the firm.

As Chief Compliance Officer, Ron is responsible for providing supervisory oversight to the staff; he also participates as a team member in the investment and trading processes. Ron may be contacted at (901) 685-8284.



**Item 1 - Cover Page**  
**of**  
**Brochure Supplement for**  
**William I. Steinberg, CFP®**  
**CRD# 1862513**

**of**  
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March 31, 2014

This brochure supplement provides information about Bill Steinberg, and supplements the Kelman-Lazarov, Inc. ("Kelman-Lazarov") brochure. You should have received a copy of that brochure. Please contact Kelman-Lazarov at (901) 685-8284 if you did not receive Kelman-Lazarov's brochure, or if you have any questions about the contents of this supplement.

Additional information about Bill is available on the SEC's website at [www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

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***Item 2 - Educational Background and Business Experience***

William I. Steinberg (year of birth 1953) joined Kelman-Lazarov as an Advisory Associate in 1995. Prior to joining Kelman-Lazarov, Bill was an Associate Vice President of Investments with Raymond James & Associates, a member firm of the New York Stock Exchange.

Bill earned a B.S. degree in Psychology from Pennsylvania State University in 1975. He graduated from the College of Financial Planning in 1994 with the CERTIFIED FINANCIAL PLANNER™ certification\*. Bill has served as a board member, officer, and program director of the Mid-South Society of the Institute of Certified Financial Planners, now known as the Financial Planning Association. He is also a Registered Representative of Cetera Advisor Networks, LLC.

In 2000, Bill was approved by the Alternative Dispute Resolution Commission of the Tennessee Supreme Court to be listed as a Rule 31 Mediator in the field of General Civil Mediation. He has

received multiple appointments to serve as a Special Master in the Chancery Court of Shelby County, Tennessee, performing financial analysis on proposed rulings in divorce cases. Bill was admitted as an Expert Witness in the Circuit Court of Shelby County, Tennessee in 2007.

\* The CFP® certification is granted by Certified Financial Planner Board of Standards, Inc. (CFP Board). To attain the certification, the candidate must complete the required educational, examination and experience requirements set forth by CFP Board. Certain designations, such as the CPA, CFA and others may satisfy the education component, and allow a candidate to sit for the CFP® Certification Examination. The Examination tests the candidate's ability to apply financial planning knowledge to client situations. The 10-hour exam is divided into three separate sessions over a 2-day period. At least 3 years of qualifying full-time work experience are required for certification. Qualifying experience includes work in the area of the delivery of the personal financial planning process to clients, the direct support or supervision of others in the personal financial planning process, or teaching all, or any portion, of the personal financial planning process.

### ***Item 3 - Disciplinary Information***

Advisers are required to disclose any material facts regarding certain legal or disciplinary events that would be material to your evaluation of an adviser; however, Bill has no such disciplinary information to report.

### ***Item 4 - Other Business Activities***

The principal executive officers and certain advisory associates are registered representatives and/or registered principals of Cetera Advisor Networks, LLC, a registered broker-dealer. In that capacity, they offer securities for sale for compensation, may be licensed to sell life, health, disability, and annuity products through various insurance companies and may receive compensation for these products.

Other than the sale of securities or insurance products, Bill is not engaged in any other investment-related business or occupation, and does not earn compensation for the sale of any other products or services.

### ***Item 5 - Additional Compensation***

Other than as stated above, Bill has no other income or compensation to disclose.

### ***Item 6 - Supervision***

Marty Kelman is the Chairman and co-founder of Kelman-Lazarov. Ron Lazarov is the President and co-founder and also serves as Chief Compliance Officer. Both are Portfolio Managers and serve on the investment committee.

Overall investment decisions are made as a team by the investment committee, and portfolio activity based on these decisions will be carried out by these individuals, as assisted by other staff members of the firm.

As Chief Compliance Officer, Ron is responsible for providing supervisory oversight to the staff; he also participates as a team member in the investment and trading processes. Ron may be contacted at (901) 685-8284.

**Item 1 - Cover Page**  
**of**  
**Brochure Supplement for**  
**Keith Francis Schmitt**

**CRD# 4931657**

**of**

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March 31, 2014

This brochure supplement provides information about Keith Schmitt, and supplements the Kelman-Lazarov, Inc. ("Kelman-Lazarov") brochure. You should have received a copy of that brochure. Please contact us at (901) 685-8284 if you did not receive Kelman-Lazarov's brochure, or if you have any questions about the contents of this supplement.

Additional information about Keith is available on the SEC's website at [www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

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***Item 2 - Educational Background and Business Experience***

Keith Francis Schmitt (year of birth 1979) joined Kelman-Lazarov in September of 2008 after working five years as a Representative with the First Tennessee Brokerage Department. At Kelman-Lazarov, Keith is the Chief Financial Relationship Manager, working closely with Marty Kelman, Chairman of Kelman-Lazarov, and clients in determining the clients' needs and addressing the clients' concerns.

Keith is also a Registered Representative with Cetera Advisor Networks, LLC. In 2001, he received a BBA degree in Finance from the University of Memphis and earned an MBA from the University of Memphis in 2003.

### ***Item 3 - Disciplinary Information***

Advisers are required to disclose any material facts regarding certain legal or disciplinary events that would be material to your evaluation of an adviser; however, Keith has no such disciplinary information to report.

### ***Item 4 - Other Business Activities***

The principal executive officers and certain advisory associates are registered representatives and/or registered principals of Cetera Advisor Networks, LLC, a registered broker-dealer. In that capacity, they offer securities for sale for compensation, may be licensed to sell life, health, disability, and annuity products through various insurance companies and may receive compensation for these products.

Other than the sale of securities of insurance products, Keith is not engaged in any other investment-related business or occupation, and does not earn compensation for the sale of any other products or services.

### ***Item 5 - Additional Compensation***

Other than as stated above, Keith has no other income or compensation to disclose.

### ***Item 6 - Supervision***

Marty Kelman is the Chairman and co-founder of Kelman-Lazarov. Ron Lazarov is the President and co-founder and also serves as Chief Compliance Officer. Both are Portfolio Managers and serve on the investment committee.

Overall investment decisions are made as a team by the investment committee, and portfolio activity based on these decisions will be carried out by these individuals, as assisted by other staff members of the firm.

As Chief Compliance Officer, Ron is responsible for providing supervisory oversight to the staff; he also participates as a team member in the investment and trading processes. Ron may be contacted at (901) 685-8284.

**Item 1 - Cover Page**  
**of**  
**Brochure Supplement for**  
**Howard Brett Manis, JD, CFP®**  
**CRD# 5093454**

**of**  
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March 31, 2014

This brochure supplement provides information about Howard Manis, and supplements the Kelman-Lazarov, Inc. ("Kelman-Lazarov") brochure. You should have received a copy of that brochure. Please contact us at (901) 685-8284 if you did not receive Kelman-Lazarov's brochure, or if you have any questions about the contents of this supplement.

Additional information about Howard is available on the SEC's website at  
[www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

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***Item 2 - Educational Background and Business Experience***

Howard Brett Manis (year of birth 1965) joined Kelman-Lazarov in January 2011 after working five years as a financial advisor with MML Investors, Inc. and Manis Financial. He also joined Cetera Advisor Networks, LLC as a Registered Representative.

Howard is also a partner in The Manis Law Firm. The law firm's main focus is estate planning and probate law. He is licensed to practice law in Tennessee and Mississippi.

Additionally, Howard is the owner of Manis Financial, selling non-securities financial products.

Howard earned his BA in Risk Management and Estate Planning from the University of Georgia in 1989. He earned his JD\* from the University of Memphis in 1993.

Howard obtained his executive certificate in Financial Planning from Christian Brothers University in 2007, and obtained his CERTIFIED FINANCIAL PLANNER™ certification\*\* in January 2008. He is a member of the Financial Planning Association and the Society of Financial Services Professionals.

\* A Juris Doctorate degree is the degree commonly conferred by law schools.

\*\* The CFP® certification is granted by Certified Financial Planner Board of Standards, Inc. (CFP Board). To attain the certification, the candidate must complete the required educational, examination and experience requirements set forth by CFP Board. Certain designations, such as the CPA, CFA and others may satisfy the education component, and allow a candidate to sit for the CFP® Certification Examination. The Examination tests the candidate's ability to apply financial planning knowledge to client situations. The 10-hour exam is divided into three separate sessions over a 2-day period. At least 3 years of qualifying full-time work experience are required for certification. Qualifying experience includes work in the area of the delivery of the personal financial planning process to clients, the direct support or supervision of others in the personal financial planning process, or teaching all, or any portion, of the personal financial planning process.

### ***Item 3 - Disciplinary Information***

Advisers are required to disclose any material facts regarding certain legal or disciplinary events that would be material to your evaluation of an adviser; however, Howard has no such disciplinary information to report.

### ***Item 4 - Other Business Activities***

The principal executive officers and certain advisory associates are registered representatives and/or registered principals of Cetera Advisor Networks, LLC, a registered broker-dealer. In that capacity, they offer securities for sale for compensation, may be licensed to sell life, health, disability, and annuity products through various insurance companies and may receive compensation for these products.

Other than the sale of securities or insurance products, Howard is not engaged in any other investment-related business or occupation, and does not earn compensation for the sale of any other investment products or services.

Howard is also a partner in The Manis Law Firm along with the proprietor of Manis Financial.

### ***Item 5 - Additional Compensation***

As stated above, Howard may derive income from the practice of law and his financial services company.

### ***Item 6 - Supervision***

Marty Kelman is the Chairman and co-founder of Kelman-Lazarov. Ron Lazarov is the President and co-founder and also serves as Chief Compliance Officer. Both are Portfolio Managers and serve on the investment committee.

Overall investment decisions are made as a team by the investment committee, and portfolio activity based on these decisions will be carried out by these individuals, as assisted by other staff members of the firm.

As Chief Compliance Officer, Ron is responsible for providing supervisory oversight to the staff; he also participates as a team member in the investment and trading processes. Ron may be contacted at (901) 685-8284.

**Item 1 - Cover Page**  
**of**  
**Brochure Supplement for**  
**Sharon E. Hammer**  
**CRD# 5704389**

**of**  
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March 31, 2014

This brochure supplement provides information about Sharon Hammer, and supplements the Kelman-Lazarov, Inc. ("Kelman-Lazarov") brochure. You should have received a copy of that brochure. Please contact us at (901) 685-8284 if you did not receive Kelman-Lazarov's brochure, or if you have any questions about the contents of this supplement.

Additional information about Sharon is available on the SEC's website at  
[www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

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***Item 2 - Educational Background and Business Experience***

Sharon E. Hammer (year of birth 1958) joined Kelman-Lazarov. as an Advisory Associate in November of 2012. Sharon spent most of her career managing bank trust divisions before becoming a stay-at-home mother. In August of 2009, she returned to work as a financial advisor at Morgan Stanley Smith Barney. In August of 2011, Sharon became a financial advisor with Merrill Lynch before joining the team at Kelman-Lazarov.

Sharon is also a Registered Representative with Cetera Advisor Networks, LLC. She graduated Phi Beta Kappa from Rhodes College in three years with a BA in Political Science, and additionally completed extensive course work in Accounting and Economics. Sharon subsequently graduated from Vanderbilt Law School (Juris Doctorate) and also from the American Banking Association's National Graduate Trust School.



Currently the president of the Rhodes Alumni Germantown-Collierville Chapter, Sharon is also a member of the Board of Trustees for Lausanne Collegiate School and is the president of Lausanne's parents' association. In addition, she is a past member of the City of Germantown Financial Advisory Committee and is currently a member of Memphis Tax Watch Group and the Memphis Estate Planning Council. She is a graduate of Germantown's Citizens' Police Academy and a certified member of Germantown's emergency response team.

#### **Item 3 - Disciplinary Information**

Advisers are required to disclose any material facts regarding certain legal or disciplinary events that would be material to your evaluation of an adviser; however, Sharon has no such disciplinary information to report.

#### ***Item 4 - Other Business Activities***

The principal executive officers and certain advisory associates are registered representatives and/or registered principals of Cetera Advisor Networks, LLC, a registered broker-dealer. In that capacity, they offer securities for sale for compensation, may be licensed to sell life, health, disability, and annuity products through various insurance companies and may receive compensation for these products.

Other than the sale of securities or insurance products, Sharon is not engaged in any other investment-related business or occupation, and does not earn compensation for the sale of any other products or services.

#### ***Item 5 - Additional Compensation***

Other than as stated above, Sharon has no other income or compensation to disclose.

#### ***Item 6 - Supervision***

Marty Kelman is the Chairman and co-founder of Kelman-Lazarov. Ron Lazarov is the President and co-founder and also serves as Chief Compliance Officer. Both are Portfolio Managers and serve on the investment committee.

Overall investment decisions are made as a team by the investment committee, and portfolio activity based on these decisions will be carried out by these individuals, as assisted by other staff members of the firm.

As Chief Compliance Officer, Ron is responsible for providing supervisory oversight to the staff; he also participates as a team member in the investment and trading processes. Ron may be contacted at (901) 685-8284.

**Item 1 - Cover Page**  
**of**  
**Brochure Supplement for**  
**Kristen M. Ellis**  
**CRD# 5383899**

**of**  
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March 31, 2014

This brochure supplement provides information about Kristen Ellis, and supplements the Kelman-Lazarov, Inc. ("Kelman-Lazarov") brochure. You should have received a copy of that brochure. Please contact us at (901) 685-8284 if you did not receive Kelman-Lazarov's brochure, or if you have any questions about the contents of this supplement.

Additional information about Kristen is available on the SEC's website at  
[www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

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***Item 2 - Educational Background and Business Experience***

Kristen M. Ellis (year of birth 1983) joined Kelman-Lazarov in June 2011 with a focus on client service, operations, and compliance. Kristen is a Registered Representative and an Investment Advisor Representative of Cetera Advisor Networks, LLC and serves as back up OSJ for Ron Lazarov. She is also an Investment Advisor Representative of Kelman-Lazarov.

Kristen graduated from the University of Arkansas in 2005 with a BA in Classical Studies and a minor in Art History. Prior to joining Kelman-Lazarov, she worked as a Financial Sales Representative at Regions Bank and as a Client Services Specialist at Charles Schwab and Co., Inc.

### ***Item 3 - Disciplinary Information***

Advisers are required to disclose any material facts regarding certain legal or disciplinary events that would be material to your evaluation of an adviser; however, Kristen has no such disciplinary information to report.

### ***Item 4 - Other Business Activities***

The principal executive officers and certain advisory associates are registered representatives and/or registered principals of Cetera Advisor Networks, LLC, a registered broker-dealer. In that capacity, they offer securities for sale for compensation, may be licensed to sell life, health, disability, and annuity products through various insurance companies and may receive compensation for these products,.

Other than the sale of securities, Kristen is not engaged in any other investment-related business or occupation, and does not earn compensation for the sale of any other products or services.

### ***Item 5 - Additional Compensation***

Other than as stated above, Kristen has no other income or compensation to disclose.

### ***Item 6 - Supervision***

Marty Kelman is the Chairman and co-founder of Kelman-Lazarov. Ron Lazarov is the President and co-founder and also serves as Chief Compliance Officer. Both are Portfolio Managers and serve on the investment committee.

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As Chief Compliance Officer, Ron is responsible for providing supervisory oversight to the staff; he also participates as a team member in the investment and trading processes. Ron may be contacted at (901) 685-8284.

**Item 1 - Cover Page**  
**of**  
**Brochure Supplement for**  
**Andrew D. Buzan**  
**CRD# 5337819**

**of**  
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March 31, 2014

This brochure supplement provides information about Andrew Buzan, and supplements the Kelman-Lazarov, Inc. ("Kelman-Lazarov") brochure. You should have received a copy of that brochure. Please contact us at (901) 685-8284 if you did not receive Kelman-Lazarov's brochure, or if you have any questions about the contents of this supplement.

Additional information about Andrew is available on the SEC's website at  
[www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

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***Item 2 - Educational Background and Business Experience***

Andrew D. Buzan (year of birth 1981) joined Kelman-Lazarov in 2007 and is a member of the investment advisory team. He works closely with Ron Lazarov researching investments, constructing portfolios and trading. He is also a Registered Representative and Investment Adviser Representative at Cetera Advisor Networks, LLC.

Andrew graduated from David Lipscomb University in 2004 with a Bachelor of Science in Finance and Economics, and earned his Masters of Business Administration from the University of Memphis in 2009. Andrew passed Level I of the Chartered Financial Analyst exam in December 2011.

***Item 3 - Disciplinary Information***

Advisers are required to disclose any material facts regarding certain legal or disciplinary events that would be material to your evaluation of an adviser; however, Andrew has no such disciplinary information to report.

***Item 4 - Other Business Activities***

The principal executive officers and certain advisory associates are registered representatives and/or registered principals of Cetera Advisor Networks, LLC, a registered broker-dealer. In that capacity, they offer securities for sale for compensation, may be licensed to sell life, health, disability, and annuity products through various insurance companies and may receive compensation for these products.

Other than the sale of securities, Andrew is not engaged in any other investment-related business or occupation, and does not earn compensation for the sale of any other products or services.

***Item 5 - Additional Compensation***

Other than as stated above, Andrew has no other income or compensation to disclose.

***Item 6 - Supervision***

Marty Kelman is the Chairman and co-founder of Kelman-Lazarov. Ron Lazarov is the President and co-founder and also serves as Chief Compliance Officer. Both are Portfolio Managers and serve on the investment committee.

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As Chief Compliance Officer, Ron is responsible for providing supervisory oversight to the staff; he also participates as a team member in the investment and trading processes. Ron may be contacted at (901) 685-8284.