

# **MILLER-GREEN FINANCIAL SERVICES, INC.**

## **CLIENT BROCHURE**

Miller-Green Financial Services is a Registered Investment Adviser. This Brochure provides information about the qualifications and business practices of Miller-Green Financial Services, Inc. The registration of an Investment Adviser does not imply a certain level of skill or training. The information contained in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC"). If you have any questions about the contents of this Brochure, please contact us at (281) 364-9100 or via email to [service@miller-green.com](mailto:service@miller-green.com)

Additional information about Miller-Green Financial Services is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Miller-Green Financial Services' SEC number is: 801-60054  
The firm's CRD number is: 110949.

**1330 Lake Robbins Drive  
Suite 360  
The Woodlands, TX 77380  
Phone: (281) 364-9100  
Fax: (281) 364-9101  
[service@miller-green.com](mailto:service@miller-green.com)  
[www.miller-green.com](http://www.miller-green.com)**

Version Date: March 5, 2014

## ITEM 2: MATERIAL CHANGES

Registered Investment Advisers are required to report updates to their business and service information contained in the Form ADV 2 Brochure as follows:

1. Promptly throughout the year when material changes occur and;
2. No less than annually and within 90 days of the Adviser's fiscal year end.

This Form ADV 2 Brochure represents the February 2014 amendment prepared by Miller-Green Financial Services, Inc., ("*MGFS*" or "*Adviser*") as required to report the Adviser's 2013 fiscal year end information. This Brochure was filed with the United States Securities and Exchange Commission ("SEC") on March 5, 2014.

The following describes the information that has been amended in this Brochure:

1. Item 4 has been amended to reflect the Adviser's fiscal year end assets under management. As of the close of business on December 31, 2013, Miller-Green Financial Services managed \$471,319,756 in 450 discretionary accounts and \$32,205,015 in 63 non-discretionary accounts. The grand total of managed assets is \$503,524,771 in 513 accounts. The types of clients receiving services and the nature of managed assets attributed to such clients remains unchanged.
2. Item 5 has been updated to include fee information for the Adviser's Options Program.
3. Items 8.A(1) and 8.B have been updated to include additional information about the Adviser's options strategies and to provide information about certain of our clients who may utilize margin accounts.

The staff of Miller-Green Financial Services enjoys hearing from our clients. As always, if you have any questions or would like any additional information about our services or the data contained in this document, please do not hesitate to contact us at (281) 364-9100 [service@miller-green.com](mailto:service@miller-green.com)

Thank you.

## ITEM 3: TABLE OF CONTENTS

<b>Cover Page</b>	<b>1</b>
<b>Item 2: Material Changes</b>	<b>2</b>
<b>Item 3: Table of Contents</b>	<b>3</b>
<b>Item 4: Advisory Business</b>	<b>6</b>
A. Description of the Advisory Firm	6
B. Types of Advisory Services	6
1. Investment Management Services	7
2. Consultation Services	8
3. General Education Programs	9
4. Newsletter	9
C. Client Tailored Services and Client Imposed Restrictions	9
D. Wrap Fee Programs	10
E. Amounts Under Management	10
<b>Item 5: Fees, Compensation and Termination of Services</b>	<b>10</b>
A. Fee Schedules	10
1. Investment Management Services	10
2. Consultation Services	11
3. General Education Programs	11
4. Newsletter	11
B. Payment of Fees	12
1. Investment Management Services	12
2. Consultation Services	12
3. General Education Programs	12
4. Newsletter	12
C. Clients Are Responsible For Third Party Fees	12
D. Prepayment of Fees	13
E. Outside Compensation For the Sale of Securities to Clients	13

<b>Item 6: Performance-Based Fees &amp; Side-By-Side Management</b>	<b>14</b>
<b>Item 7: Types of Clients and Minimum Account Size</b>	<b>14</b>
<b>Item 8: Methods of Analysis, Investment Strategies, and Risk of Investment Loss</b>	<b>15</b>
A. Methods of Analysis and Investment Strategies	15
1. Adviser's Methods and Strategies	15
2. Fundamental, Technical and Cyclical Considerations	17
B. Material Risks Involved	20
C. Risks of Specific Securities Utilized	21
<b>Item 9: Disciplinary Information</b>	<b>22</b>
<b>Item 10: Other Financial Industry Activities and Affiliations</b>	<b>22</b>
A. Registration as a Broker/Dealer ("BD") or BD Representative	22
B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Adviser	22
C. Relationships Material to this Advisory Business and Possible Conflicts of Interests / Other Business Activities	22
D. Selection of Other Advisors or Managers and how This Adviser is Compensated for Those Selections.	23
<b>Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading</b>	<b>24</b>
A. Code of Ethics	24
B. Recommendations Involving Material Financial Interests	26
C. Investing Personal Money in the Same Securities as Clients	26
D. Trading Securities At/Around Clients' Securities	26
<b>Item 12: Brokerage Practices</b>	<b>27</b>
A. Factors Used to Select Custodians and/or Broker/Dealers	27
1. Research and Other Soft-Dollar Benefits	28
2. Brokerage for Client Referrals	29

3. Clients Directing Which Broker/Dealer/Custodian to Use	29
B. Aggregating (Block) Trading for Multiple Client Accounts	29
<b>Item 13: Reviews of Accounts</b>	<b>30</b>
A. Frequency and Nature of Periodic Reviews	30
B. Reviewers	31
C. Factors That May Trigger Non-Periodic Account Reviews	31
D. Content and Frequency of Regular Reports to Clients	31
<b>Item 14: Client Referrals and Other Compensation</b>	<b>32</b>
A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Sales Awards or Other Benefits)	32
B. Compensation to Non-Advisory Personnel for Client Referrals	32
<b>Item 15: Custody</b>	<b>32</b>
<b>Item 16: Investment Discretion</b>	<b>33</b>
<b>Item 17: Voting Client Securities (Proxy Voting)</b>	<b>33</b>
<b>Item 18: Financial Information</b>	<b>33</b>
A. Balance Sheet	33
B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients	34
C. Bankruptcy Petitions in Previous Ten Years	34
Additional Information: <b>MGFS Privacy Policy*</b>	<b>34</b>

\*For clients: The applicable ADV 2B Brochure(s) follow ADV 2A

## ITEM 4: ADVISORY BUSINESS

### A. DESCRIPTION OF THE ADVISORY FIRM.

Miller-Green Financial Services, Inc. ("*Miller-Green Financial Services*", "*MGFS*" or "*Adviser*") is registered with the United States Securities and Exchange Commission, ("*SEC*") and has been in the financial and investment advisory business since 1985.

Miller-Green Financial Services is headquartered in The Woodlands, Texas. MGFS is wholly owned by The Edelman Financial Group Inc. The Edelman Financial Group was a public company until it converted to a privately owned company in 2012. If a client or prospective client wishes to review the biographies of the Officers and Directors of The Edelman Financial Group or data regarding their affiliated entities, this data is available upon request (please contact Don Gilbert, Chief Compliance Officer at [service@miller-green.com](mailto:service@miller-green.com) or (281) 364-9100. Our firm's ownership and affiliations can also be viewed at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). MGFS' SEC number is: 801-60054. Information about The Edelman Financial Group can also be found at [www.ricedelmangroup.com](http://www.ricedelmangroup.com).

The officers of The Edelman Financial Group are not engaged in the day to day investment advisory activities at MGFS. These services are still carried out under the direction of Bert Miller, President and Director. Don Gilbert is the Adviser's Chief Compliance Officer.

### B. TYPES OF ADVISORY SERVICES

Miller-Green Financial Services, Inc. ("*Miller-Green Financial Services*", "*MGFS*" or "*Adviser*") offers professional *fee-based* Investment Management and Consultation Services. MGFS also offers a general financial and investment newsletter and occasionally is available to provide general financial education programs.

The Adviser can provide customized services to individuals, high net worth individuals; trusts, estates, charitable organizations, corporations and business entities.

"*Advisory Representatives*" are those persons authorized by the firm to deliver financial and investment advisory services. The term "fee-based" means that Miller-Green Financial Services is an independent Investment Adviser and is compensated *only* in the form of advisory fees paid by investors. Advisory Representatives of Miller-Green Financial Services are dually registered as Registered Representatives of an affiliated broker/dealer and may accept commissions for securities recommendations.

The Adviser is not a broker/dealer or custodial firm. Any transactions in securities will be executed by an unaffiliated custodial firm of clients' choosing.

Miller-Green Financial Services is not an insurance agency. Advisory Representatives may be otherwise engaged as independently licensed insurance representatives. Therefore, in connection with this outside business activity, Advisory Representatives may receive normal commissions paid by insurance companies when clients purchase insurance. Clients are welcome but are never obligated to utilize any insurance product

or company that may be recommended.

Miller-Green Financial Services is normally only compensated for advisory services via a percentage of assets under management.

Occasionally, MGFS may provide general education programs on financial issues and these may rarely involve a fixed fee (to cover costs, materials, etc.).

Miller-Green Financial Services may offer a complimentary general consultation to discuss services available, to give a prospective client time to review services desired, and to determine the possibility of a potential Client-Adviser relationship. Services begin only after the client and Adviser formalize the relationship with a properly executed Advisory Agreement.

After the formal engagement and depending upon the scope of the engagement, the Adviser and client will share in a data gathering and discovery process in an effort to determine the client's needs, goals, intentions, time horizons, risk tolerance and investment objectives, based upon information provided by the client and the nature of services requested.

Miller-Green Financial Services offers **Investment Management and Consultation Services**. The Adviser also offers a complimentary newsletter and may offer occasional general education programs.

Investment Management Services are ongoing in nature, focus solely on portfolio management, and do not include financial planning services.

Consultation Services are hourly and generally terminate upon the delivery of services.

Newsletters are complimentary and are available to current or prospective clients. Subscribers are welcome to subscribe without obligation and can terminate their subscription at any time.

General Educational Programs may be complimentary or may involve a fee to cover preparation, materials, costs, etc. Attendees are under no obligation to do so, but are welcome to engage individualized services with Miller-Green Financial Services.

**1. Investment Management Services** involve ongoing and continuous portfolio management. After an interview is conducted the Adviser will review the client's individual needs, goals, time horizons and risk tolerance. Miller-Green Financial Services utilizes the information provided by the client to provide recommendations that may address planning for long-range goals, (i.e. retirement or college planning) or other segments of an investment plan that may be desired. As a value-added service, the Adviser also incorporates Financial Planning advice on issues relating to income, estate planning, and insurance issues using long-term strategies so that continuous monitoring is not required. The Adviser also offers investment management of individual stocks to interested clients.

Recommended investments may generally include individual stocks, exchange traded funds (*ETFs*), mutual funds, short-term instruments, bonds, options and other investment vehicles. The Adviser may also evaluate or offer advice on life and annuity investments.

Miller-Green Financial Services focuses on providing individualized services. The Adviser can tailor services to focus only on certain portfolio components, depending upon the client's wishes and/or the nature of the engagement. However, where Investment Management Services or information are limited, clients must understand that comprehensive investment needs and or objectives may not be fully considered due to the client's option to receive limited services, the lack of information received, and/or client disclosure.

Miller-Green Financial Services will generally seek to allocate the client's assets among various investments, taking into consideration the client's strategic portfolio framework developed with clients. The Adviser attempts to construct a diversified portfolio of investment recommendations that are within its realm of expertise. In each case, the stated individual needs, goals and desires of clients are taken into consideration.

Once the portfolio is implemented or transferred for services, Miller-Green Financial Services can provide continuous monitoring, recommendations and investment advice as outlined in the Advisory Agreement.

The ongoing Investment Management Services provided are based upon the client's stated individual needs and objectives. Miller-Green Financial Services will generally seek to allocate the client's assets among various investments, taking into consideration the overall management style selected by the client. In each case, the Adviser manages the portfolio based upon each client's unique needs and directives provided.

Clients engaging Investment Management Services must play an active role. The Adviser requires the client to participate in the financial and investment review; the development of a financial plan, the development of an investment policy or similar document, the development of the investment plan, and the ongoing advice and recommendations. During the course of the engagement, clients may call the office at any time during business hours to discuss their financial plan, their portfolio or to ask questions. However, clients are obligated to inform the Adviser immediately of any changes in their financial situation to provide the Adviser with the opportunity to review the portfolio to ensure it is still structured to help meet the client's stated needs and objectives.

In providing ongoing Investment Management Services, Miller-Green Financial Services will manage investor funds in accordance with an investment plan agreed to by the client and the Adviser will remain available for ongoing advice and recommendations.

The Adviser will provide ongoing monitoring of the portfolio in accordance with the directives provided.

Services and investment recommendations in connection to assets invested in a corporate retirement plans are limited to those offered within the plan and via the plan's contracted service providers.

**2. Miller-Green Financial Services is available on a limited basis to provide Consultation Services** to clients. Investment Advisory Consultations can be general in nature or focused on particular areas of interest and may be uniquely personalized, depending upon the client's needs.



The nature of services will be determined at the time of engagement. Consultation services may be immediately terminated upon written notice by either party. The Adviser does not charge a fee for consultation.

Where Consultations only focus on certain areas of client interests, needs or is otherwise limited, clients must understand that a client's overall financial and investment needs and objectives may not be considered as a result of time and/or service restraints placed on the Adviser's services.

Advisory Representatives may suggest the client work closely with the client's attorney, accountant, insurance agent, and the client's custodian. Clients requiring assistance on issues relating to matters outside of investment advisory topics should consult their personal tax Adviser, legal counsel, or other professionals for expert opinions.

Implementation of any other advice or recommendations pertaining to securities and/or non-securities matters (such as insurance), in whole or in part, is entirely at the client's discretion via the service provider(s) of the client's choice.

When providing consultation services in connection with retirement plan investments, the advice and recommendations are limited to plan offerings. The advice provided by the Adviser may include recommendations for updates and reviews and these services can be obtained under a new or amended agreement at the client's discretion.

3. MGFS offers a complimentary **Newsletter** to prospective and current clients. The newsletter content typically covers general financial and/or investment topics and is general in nature. Subscribers are welcome to initiate or terminate a subscription at any time.

4. From time to time, Miller-Green Financial Services may conduct **General Educational Programs** for companies and individuals. The content of presentations may include general information relating to investment management, financial planning, retirement plans, insurance strategies, college funding, estate and retirement preparation and planning topics. MGFS may provide these services on a complimentary basis. Where services are provided to companies or professional organizations, or where the content/scope or materials are more extensive, a fee may apply. Any fee would be based upon complexity, materials provided, time and effort and other factors. The fee, if ever applicable would be agreed to at the time of engagement. In each case, the Adviser's general educational programs do not provide individualized advice or services. Attendees are welcome but are never under any obligation to engage MGFS for individualized services.

### **C. CLIENT TAILORED SERVICES AND CLIENT IMPOSED RESTRICTIONS**

Miller-Green Financial Services focuses on providing individualized services. The Adviser can tailor services to focus only on certain portfolio components, depending upon the client's wishes and/or the nature of the engagement. However, where client services or information are limited, clients must understand that comprehensive financial and/or investment needs and objectives may not be fully considered due to the client's option to receive limited services, the lack of information received, and/or client disclosure.

The Adviser and client will share in a data gathering and discovery process in an effort to determine the client's stated needs, goals, intentions, time horizons, risk tolerance and investment objectives, based upon information provided by the client and the nature of services requested. Clients are welcome to set parameters on the Adviser's limited discretionary authority in writing as to types of investments and amounts purchased or sold.

Where clients retain authority to implement recommendations, they are welcome to do so, in whole or in part, via the financial services provider(s) of their choice.

#### **D. WRAP FEE PROGRAMS**

Miller-Green Financial Services does not participate in recommending wrap fee programs nor is the Adviser engaged as a wrap fee program manager or sponsor.

#### **E. AMOUNTS OF ASSETS UNDER MANAGEMENT**

As of the close of business on its most recent fiscal year end,(12/31/13) the Adviser managed total assets in the amount of \$503,524,771 in 513 accounts. Of this total, \$471,319,756 in 450 accounts was managed on a discretionary basis. The remaining \$32,205,015 in 63 was managed on a non-discretionary basis. Of the total managed assets, 51-75% of the assets were held by individual clients; 26-50% of the assets were held by high-net worth individual clients.

### **ITEM 5: FEES AND COMPENSATION**

#### **A. FEE SCHEDULES**

Miller-Green Financial Services is only compensated for services via advisory fees.

1. The fees for **Investment Management Services** are based upon a percentage of the assets under the Adviser's management. The Adviser's fee is agreed to at the time of engagement. Fees may be modified (higher or lower), based on unusual circumstances, pre-existing relationships, or complex matters. The Adviser's fee will also be dependent upon the amount and nature of assets to be managed, required services, complexities, or other factors, and at the discretion of the Adviser.

Following the end of the first calendar quarter of financial services, as funds are invested, advisory fees are calculated at a percentage of assets under management on a sliding scale as outlined below and as listed on the following page:

<u>Assets Under Management:</u>	<u>Annual Fee:</u>
First \$100,000	1.00
Next \$100,000	.75
Next \$100,000	.50
Thereafter	.25

For clients invested in Stock and/or Options Program, the assets are managed on a discretionary basis and the Investment Management fee is equal to 1% annually and for clients invested in the Tactical Asset Allocation Portfolio ("TAAP"), the annual investment management fee is 1.00%. In addition, Sanders Morris Harris (our affiliated broker/dealer) receives .25% on Pershing fees to cover the trading costs in the account. The .25% trading cost will not be abated, so it will remain constant. The management fees for TAAP will be calculated as follows:

On the first \$700,000 in TAAP the fee will be: 1.00%\*

On the next \$300,000 invested, the fee will be: .85%\*

On amounts over \$1,000,000, the fee will be: .70%\*

\*Plus the broker/dealer trading cost of .25%

Miller-Green Financial Services manages assets via limited discretionary authority (as evidenced by the Advisory Agreement).

Advisory fees are billed quarterly in arrears of services. The fees are based on the portfolio's market value on the last trading day of the relevant billing period. The portfolio's market value is determined by the client's selected custodial firm. The Adviser's quarterly fee is determined by multiplying the portfolio balance on the last trading day of the preceding calendar quarter by  $\frac{1}{4}$  of the Adviser's annual fee. A pro-rata fee is calculated for services initiated at any time other than at the beginning of a calendar quarter.

During the engagement, the Adviser reserves the right to modify the fee with 30 days written notice where the nature and complexity of the portfolio or services to be provided are modified. Clients are welcome to discontinue services at any time.

2. Fees for **Consultation Services** are determined at the time of engagement based upon the time and effort required and/or the nature and complexity of services. The Adviser does not charge its clients for Consultation Services.

3. MGFS's **Newsletter Service** for current and prospective clients is complimentary. Subscribers are welcome to terminate their newsletter subscription at any time.

4. The Adviser's **General Education Programs** may be complimentary. From time to time, the Adviser may charge a fee for these programs, depending upon the nature of services, complexity of content, materials provided, location, or at the discretion of the Adviser. For example, where services are provided to companies or professional organizations, a fee may apply based upon complexity, materials provided, time and effort and other factors. In each case, the Adviser's general Educational Programs do not provide individualized advice or services. Attendees are welcome but are never under any obligation to engage Asset Advisors for individualized services. All fees and the Adviser's cancellation policy (as well as refund policy, if applicable) will be clearly noted in the offering document or invitation.

## **B. PAYMENT OF FEES**

**1. Investment Management Services.** Unless otherwise agreed in writing, Investment Management fees are payable quarterly in arrears. Payment of Investment Management fees may be made directly to the Adviser or through a debit directly to the client's account by the qualified custodian holding the client's funds and securities. The Adviser follows the following criteria when payment is made via a qualified custodian as required by the United States Securities and Exchange Commission's Investment Advisors Act of 1940:

1) The client provides written authorization permitting the fees to be paid directly from the client's accounts held by the independent qualified custodian and the authorization is limited to withdrawing contractually agreed upon Investment Adviser fees; (2) The client will directly receive regular (monthly or quarterly) reports from the qualified custodian which reflect the Adviser's fee deduction; (3) The frequency of fee withdrawal shall be specified in the written authorization/agreement; (4) The custodian of the account shall be advised in writing of the limitation on the Adviser's access to the account and; (5) The client shall be able to terminate the written billing authorization or agreement at any time.

It is important to note that custodial firms do not verify advisory fees. Therefore, clients should review their custodial statements carefully. If a client should have any questions or concerns in connection with an advisory fee deduction, they should promptly contact Miller-Green Financial Services.

If at any time during the engagement, the client fails to receive the regular statements produced by the custodian, it is important for the client to promptly notify Miller-Green Financial Services and the custodial firm.

**2. Consultation Services** are complimentary to existing clients.

**3. Newsletter Services** are complimentary to prospective and current clients.

**4. General Education Programs** may be complimentary. From time to time, the Adviser may charge a fee for these programs, depending upon the nature of services, complexity of content, materials provided, location, or at the discretion of the Adviser. These fees would be payable directly to the Adviser in order to schedule the event or participate in the event and will be clearly noted in the offering document or invitation along with the Adviser's cancellation policy and refund policy (if applicable).

## **C. FEES ASSOCIATED WITH INVESTING**

Clients are responsible for the payment of all third party fees associated with investing. Clients may pay transaction and brokerage commission to their broker/dealer or other service providers ("*Financial Institution[s]*") as well as any fees associated with their particular accounts (e.g., account opening, maintenance, transfer, termination, wire transfer, retirement plan, trust fees, and all such applicable third party fees, deferred sales charges, oddlot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. All fees paid to the Adviser for advisory services are separate from the fees and expenses charged to shareholders of ETF's or mutual fund shares offered by mutual fund

companies. If a mutual fund previously purchased by or selected by a client should impose a sales charge, a client may pay an initial or deferred sales charge. Miller-Green Financial Services does not receive any portion of these investment-related fees. Such charges, fees and commissions are exclusive of and in addition to the Adviser's fees. A complete explanation of the expenses charged by a mutual fund or ETF is contained in the respective mutual fund prospectus. Clients are encouraged to read each prospectus and securities offering documents.

#### **D. PREPAYMENT OF FEES**

Miller-Green Financial Services does not require pre-payment of fees except in the rare case where fees may be requested to cover the costs associated with a General Education Program.

Either party may terminate Investment Management Services by written notice to the other. However, for the clients' convenience, the Adviser will accept a verbal termination from clients. Where services are terminated prior to the end of a calendar quarter, the Adviser will only invoice for services up until the effective date of termination.

Consultation Service, Newsletter Services and most General Education Programs are complimentary and do not involve prepayment of fees.

Where fees apply for General Education Workshops or Seminars, the fee will be set forth in the engagement with the client. Depending upon the scope and complexity of the project, the Adviser may require a prepayment or a retainer equal to ½ of the proposed fees at the time of engagement. In such cases, the balance of fees due is payable at the conclusion of services. These services may be terminated/cancelled upon written notice to the Adviser as outlined in the written agreement. In such cases, any pre-paid retainer will be returned, less time incurred for the preparation of the presentation, if applicable, up until the notice of termination is received.

The Adviser's services can be terminated without cost within 5 days of the execution of the Advisory Agreement if the Adviser's ADV 2 was not delivered at least 48 hours prior to engagement.

#### **E. OTHER COMPENSATION FOR THE SALE OF SECURITIES OR OTHER INVESTMENT PRODUCTS TO CLIENTS**

Miller-Green Financial Services is a *fee-based* Registered Investment Adviser. The Advisory Representatives of MGFS are dually registered as Registered Representatives of an affiliated broker/dealer. Therefore, Representatives may receive normal commissions paid by the broker/dealer for the recommendation of securities products including asset-based sales charges or service fees from the sale of mutual funds. However, Bert Miller, the President and Director of the Adviser, is salaried and does not accept commissions for services.

In certain instances, the Advisory Representatives of Miller-Green Financial Services may receive a portion of 12(b)(1) fees which may be paid in respect of any type of mutual funds and a portion of the front end or deferred sales charges on load mutual funds as described in the prospectus for such funds. Clients may also bear certain charges imposed by third parties other than Miller-Green Financial Services in connection with investments made through their accounts, including but not limited to

transaction fees to broker/dealers, servicing fees, and IRA or Qualified Retirement Plan fees. Fees may be higher or lower than fees charged by other investment advisors for similar services.

Advisory Representatives of Miller-Green Financial Services are independently licensed insurance agents appointed with various insurance companies and in such capacity, may recommend, on a fully disclosed commission basis, the purchase of certain insurance products. The time spent on this outside business activity may vary throughout the year but may entail approximately 5% of the Advisory Representatives' time.

Insurance products may be recommended to clients to minimize clients' exposure to identified risks and to meet personal and/or business needs. Clients are welcome but are never under any obligation to purchase insurance products recommended or utilize any company that may be recommended. When clients purchase insurance, licensed insurance agents receive normal commissions paid by insurance companies. Clients are always welcome to utilize the insurance provider of their choice and can implement recommendations in whole or in part, entirely at their discretion.

The Adviser will not undertake a review or provide recommendations on issues relating to property and/or casualty insurance. Since these coverages are important, clients should seek the services of a licensed property and casualty firm.

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

Miller-Green Financial Services' fees associated with services are not "performance based" (based upon a share of capital gains or capital appreciation, or performance, for any portion of funds under an advisory contract). The fees noted herein represent fees for advisory services only.

## **ITEM 7: TYPES OF CLIENTS AND MINIMUM CONDITIONS**

The Adviser's services are primarily provided to individuals; high net worth individuals; trusts, estates and charitable organizations; corporations or other business entities. Miller-Green Financial Services reserves the right to decline to offer services to any person or firm at its sole discretion.

## ITEM 8: METHOD OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

### A. METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

The Adviser believes each client presents a unique set of goals, values, interests, objectives, time horizons and challenges. Miller-Green Financial Services provides individualized attention to each type of investor who engages the Adviser for services.

The Adviser conducts various client interviews and data gathering activities in an effort to help determine an investment plan or portfolio to best fit each client's stated individual situation. Client participation and the client's delivery of accurate and complete information are critical to the Adviser's process.

**1. The Adviser's Methods and Strategies.** Based upon information provided by the client, the Adviser attempts to evaluate an investor's risk tolerance, time horizon, goals and objectives through an interview and data-gathering process in an effort to determine an investment plan or portfolio to best fit the investor's profile. Client participation and the client's delivery of accurate and complete information are critical to the Adviser's process.

In performing its services, the Adviser shall not be required to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. The Adviser may recommend the services of itself, its Advisory Representatives in their individual capacities as investment managers, registered representatives and insurance agents in addition to other professionals to implement its recommendations. Any professional referrals (*i.e.*, insurance firms, accounting professionals, legal professionals, etc.) are *solely* a courtesy and the Adviser receives no direct or indirect compensation as a result of referrals. Clients are welcome but are never under any obligation to act upon any of the recommendations made by the Adviser or to engage the services of any such recommended service firm or professional, including the Adviser itself.

The Adviser seeks to take balanced approach to the management of client investment portfolios. After working with the client to identify both short-term and long-term financial goals, a strategic investment framework can be tailored to address these objectives. This framework comprises target asset class ranges based on factors including the Adviser's analysis of expected asset class returns and a client's investing history, tolerance for portfolio volatility, threshold for permanent losses, and short-term portfolio liquidity needs. Upon this framework, Miller-Green Financial Services seeks to build and actively manage a customized investment portfolio. Of course, the Adviser is also available to provide Investment Management Services on only a portion of an investor's overall portfolio, if desired.

Miller-Green Financial Services' investment strategies may be based upon a number of concepts and determined by the type of investor. Services are customized for each individual client.

Investment concepts are based upon a variety of sources including internal research, screening software and publicly available materials. Third-party research is also utilized by the Adviser.

Miller-Green Financial Services may utilize certain asset allocations tools, portfolio models, and investment research materials prepared by independent third parties, registered investment advisers or consultants to construct an appropriate asset mix for a client and to monitor the performance of the investment portfolio selected. In providing individualized investment advice, MGFS may invest the client's assets in accordance with the recommendations of the third party or may invest the account in any manner it deems appropriate based on the client's personal objectives. All management expenses incurred from these third parties will be paid by MGFS. A portion of the advisory fee paid by a client to MGFS may be used to compensate such third party providers or consultants.

Prospective investments are considered in relation to the structure of the overall portfolio and purchased only when the Adviser feels such purchase improves the portfolio's overall risk-adjusted expected return potential.

The Adviser normally repositions portfolio investments when conditions warrant based on the Adviser's analysis rather than in accordance with a preset timetable. Changing conditions in the client's financial life or significant changes in market conditions may warrant a collaborative effort with the client to modify their strategic investment framework, which consequently may also trigger changes to investment holdings within the portfolio.

MGFS may assist clients who are interested in utilizing options and will primarily utilize a conservative "hedged option" or "covered call" strategy. Hedging is the practice of purchasing and holding securities specifically to reduce portfolio risk. The intention is for these securities to move in a different direction than the remainder of the investor's portfolio (i.e., appreciating when other investments decline). A put option on a stock or index is the classic hedging instrument. Hedging can help to reduce the uncertainty and the amount of capital at risk in an investment, without significantly reducing the potential rate of return.

When utilizing a covered call option strategy, the investor earns a premium writing calls while at the same time the investor appreciates all the benefits of underlying stock ownership, such as dividends and voting rights, unless the investor is assigned an exercise notice on the written call and is obligated to sell his/her shares.

On rare occasions, MGFS may assist clients who are interested in investing via "naked puts". A naked put, (also known as an "uncovered put") is defined as a put option whose writer does not have a short position in the underlying stock on which the put has been written. Please review the information in the next section for additional information on risks associated with this strategy.

Clients may choose to make self-directed securities transactions, which are investments that are not reviewed and/or not recommended by the Adviser. In such cases, the Adviser has not passed on the suitability of said investments and while the Adviser assistance with client-directed implementation as a value-added service at the client's request, the Adviser will not manage these types of investments.



While the Adviser makes every effort to consider tax consequences, the sale of investments may cause taxable gain(s) or loss(es) to the client. Clients are welcome to consult their independent personal tax Adviser about tax consequences resulting from transactions or any particular investment held in their account.

The Adviser provides individualized Investment Management Services to its clients. The Adviser can provide advisory services for portfolios ranging from conservative to aggressive; each designed to meet the varying needs of and within the direction set forth by the investors. The Adviser selects the portfolio best suited to their individual needs after clients have defined their objectives, risk tolerance and time horizons and the selection is approved by the client.

Portfolio additions may be in cash or securities provided that the Adviser reserves the right to liquidate any transferred securities, or decline to accept particular securities into the client's account.

The Adviser may consult with its clients about the ramifications of transferring securities when provided pre-notification of the client's intentions. However, clients may be advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

Clients may withdraw account assets on notice to the Adviser, subject to the usual and customary securities settlement procedures. The Adviser generally designs its client portfolios as long-term investments and assets withdrawals may impair the achievement of a client's investment objectives.

**2. Fundamental, Technical and Cyclical Analysis.** The Adviser may utilize aspects of Fundamental, Technical and Cyclical Analysis methods, but focuses on providing uniquely personalized Investment Management Services as outlined in Item 2 of this section. Below is an overview of each methodology:

**Fundamental Analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security. For example, an investor can perform fundamental analysis on a bond's value by looking at economic factors, such as interest rates and the overall state of the economy, and information about the bond issuer, such as potential changes in credit ratings. For assessing stocks, this method uses revenues, earnings, future growth, return on equity, profit margins and other data to determine a company's underlying value and potential for future growth. In terms of stocks, fundamental analysis focuses on the financial statements of the company being evaluated.

Very broadly described, this type of analysis involves a method of evaluating a security that entails attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and company-specific factors (like financial condition and management).

The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price, with the aim of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short).

This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is performed on historical and present data, but with the goal of making financial forecasts. There are several possible objectives:

- to conduct a company stock valuation and predict its probable price evolution,
- to make a projection on its business performance,
- to evaluate its management and make internal business decisions,
- to calculate its credit risk.

Fundamental analysis is not without its drawbacks and problems. For one, this method can be tedious and time consuming. Once a trend in the fundamentals of the company is established, normally, the future growth will be extrapolated using that trend. The extrapolation is a subjective exercise and should be cautiously assessed. As an example, the trend may still be up but the market may already be saturated and thus there is a higher chance of the trend flattening rather than continuing upward. Extrapolation may not always work and may result in a wrong call.

In addition to the above, fundamental analysis involves a time delay as the financial data the analyst is reviewing is always from the previous year or previous quarter. Additionally, even if a fundamentally strong company at the right price is identified, it does not mean that the company's shares are going to move anytime soon. Therefore, some holdings may need to be held for quite some time.

The stock's position in the market is also driven by investor sentiment, which can sometimes swing in extremes. As a result, stock prices of companies can reach extremely overvalued levels or extremely undervalued levels. When the share price becomes overvalued, a fundamental analyst will stay out or they will exit too early. As the share price reaches extremely overvalued levels, the fundamental analyst might miss out the biggest gain in the share price. This type of analyst may also buy when the price drops within a value range and yet the stock price could head lower still well into oversold regions before recovering.

As with any data produced by a third party, there is always the possibility that the company's data has been manipulated. Enron is a good example. It does happen and it can be very difficult to detect. Thus, an analyst is limited by the information that is published.

**Technical Analysis** is a method of evaluating securities by analyzing the statistics generated by market activity, such as past prices and volume. Generally speaking, technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity.

The field of technical analysis is based on three assumptions:

1. The market discounts everything.
2. Price moves in trends.
3. History tends to repeat itself.

This type of analysis can be broadly described as a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. It is a discipline for forecasting the direction of prices through the study of past market data, primarily price and volume. Technical analysts lean towards the belief that the historical performance of stocks and markets are likely indications of future performance.

Simply put, technical analysis deals with reading stock charts and this process is broadly described as a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. It is a discipline for forecasting the direction of prices through the study of past market data, primarily price and volume. Technical analysts lean towards the belief that the historical performance of stocks and markets are likely indications of future performance.

Technical Analysis can be difficult, as analysts need to learn various indicators and patterns and understand how they relate to investor sentiment and behavior. Analysts also have to devise methods of how these issues may impact stock price. Like other analysis methods, technical analysis is not 100% percent accurate or reliable. Relative success depends on the analyst, the analysis tools and the stock or market itself. Often there can be contradicting results which may result in a situation where no trade can be made. An example of this exists when the overall market is heading in one direction and the particular share price is pointing to the opposite direction.

The interpretation of technical indicators is subjective. The same indicator could be interpreted as bullish by one side of the camp and as bearish by the other side of the technical camp. The subjective aspect of technical analysis gives way to another drawback of technical analysis which is the validation of a biased view. The analyst may have already formed a view based on the state the economy is currently or the situation of the market and sector the company is operating in.

**Cyclical Analysis** is a method that generally looks at cycles that can impact that market, depending upon the type of securities. This analysis method takes into consideration that there are cyclical and noncyclical securities.

Cyclical stocks are stocks that follow the general economic environment. The automotive industry is a prime example of a cyclical sector. Cyclical stocks do well in times of economic prosperity and generally suffer greater during times of economic recession or hardship.

Conversely, health care stocks are an excellent example of non-cyclical stocks as there will always be a need for health care, regardless of the economic situation. These stocks typically have consistent profits, rather than spikes.

Historically, the difference between cyclical and noncyclical stocks has been cash flow. The cash flow of cyclical stocks is affected by the movement of the economy in general. A major category of cyclical stocks is retail consumer products. When the market swings up, cyclical stocks make big upward swings and when it swings down, they move way down. Their movement is widely followed as indicators of the overall health of the

economy. However, some cyclical companies attempt to alleviate the impact of cyclical changes by diversifying their product line, expanding to overseas markets and segmenting a cyclical division out to its own stock symbol. Additionally, technology has minimized the impact of cyclical organizations.

Noncyclical stocks are less affected by a downturn in the economy. Referred to as "defensive industries," they are the types of goods that are purchased regardless of the economy. These may include food, insurance and drugs. Analysts attempt to use their knowledge about the cyclical nature of certain industries to predict revenues, interpret earnings reports and make judgments about the overall financial health of a company.

Generally speaking, the stock prices of cyclical companies tend to increase when analysts predict positive news about the future of the economy. If investors feel the market is moving up, cyclical stocks may offer growth opportunities. If they feel the market is moving down, noncyclical stocks may provide stability.

*It is important to understand that investing in securities involves a risk of loss that a client should be prepared to bear.*

## **B. MATERIAL RISKS INVOLVED**

Miller-Green Financial Services takes the general position that no single strategy can be relied upon to outperform the market.

MGFS generally utilizes short-term and long-term trading, depending upon the stated desires of the client. Each client's account is managed on the basis of the client's stated financial situation, investment objectives and instructions. The Advisory Representative works with the client to obtain sufficient information from the client to provide individualized investment advice and is reasonably available to consult with the client on an ongoing basis.

All investors who seek strategies that involve more frequent trading should know that frequency may affect investment performance, particularly through increased taxes (on taxable accounts).

Investing in any type of security involves risk of loss that clients should be prepared to bear. MGFS does not guarantee the performance of an account or any specific level of performance. Market values of the securities in the account will fluctuate with market conditions. When the account is liquidated, it may be worth more or less than the amount invested.

Certain of MGFS' clients may utilize margin accounts. Brokerage firms offer margin accounts for investors to borrow funds to increase their stock purchasing power. However, margin accounts are not without their consequences as they can expose investors to the potential for higher losses. Margin risks include, without limitation: (i) clients can lose more money than invested; (ii) clients may have to deposit additional cash or securities into their account on short notice to cover market losses; (iii) clients may be forced to sell some or all of their securities when falling stock prices reduce the value of their securities; and (iv) the brokerage firm may sell some or all of a client's securities without consulting the client in order to pay off the loan that was made to the client. Margin accounts are a useful but are more suitable for experienced investors.

Naked puts (also known as “uncovered puts”) contain risk since the writer can have a significant loss if the underlying asset moves opposite to the desired direction. But, profits can be significant if the underlying asset increases. The biggest risk facing the uncovered put writer is if the price of the underlying drops below the put strike price, he/she is forced to buy the shares at the put strike price. However, for a long-term investor looking to go long on the stock at a discount, writing naked puts can be a strategic way to buy stock. If the stock price drops below the put strike the puts get assigned. Additionally, the investor gets a further discount in the form of the premium earned from selling the puts. Even if the put strike price was not reached and the stock not acquired, the investor still gets to keep the premiums.

The risk associated with covered calls is the loss of upside. This means if the shares are assigned (called away), the option seller forgoes any share price appreciation above the option strike price. Additionally, the pricing of hedging instruments correlates to the potential downside risk in the underlying security. Generally, the more downside risk the purchaser of the hedge seeks to transfer to the seller, the more expensive the hedge.

### **C. RISKS OF SPECIFIC SECURITIES UTILIZED**

Investments in individual stocks can be risky. Some risks can be controlled and some risks can be guarded against but no investment strategy can carry guarantees from loss. Certain market risks cannot be controlled, such as market or economic conditions.

Investments in mutual funds may bear a risk of investment loss. Clients who invest should also be prepared to bear a loss of investment proceeds.

Thoughtful investment selections that are designed to help meet a client’s stated goals and risk profile may help keep individual stock and bond risks at an acceptable level.

Fixed income investments may be utilized as a portfolio diversification element as well as for income deriving investments outside of equity exposure.

There are certain risks involved in investing in all types of bonds: Government, Municipal, and Corporate. The following is an overview of the types of risks that one should consider in terms of bond investments:

Interest rate risk; reinvestment risk; inflation risk; mark risk, selection risk, timing risk, and price risk. Additional risks for some government agency, corporate and municipal bonds may include: Legislative risk (a change in the tax code could affect the value of taxable or tax-exempt interest income); Call risk (some corporate, municipal and agency bonds have a “call provision” entitling their issuers to redeem them at a specified price on a date prior to maturity. Declining interest rates may accelerate the redemption of a callable bond, causing an investor’s principal to be returned sooner than expected. In that scenario, investors have to reinvest the principal at the lower interest rates.

Additional risks for corporate and municipal bonds may include: Credit risk; default risk; event risk and duration risk.

*Past performance is not a guarantee of future returns. Investing in securities involves A risk of loss that all clients should be prepared to bear.*

## **ITEM 9: DISCIPLINARY INFORMATION**

Miller-Green Financial Services has not been involved in any legal or disciplinary events. The Adviser has not been involved in any criminal or civil actions; administrative proceedings before the SEC or any other federal, state or foreign regulatory authority. MGFS has not been involved in any self-regulatory organization proceedings.

The Adviser's record does not reflect the existence of any data that would be material to a client's or prospective client's evaluation of Miller-Green Financial Services or the integrity of its management. Information pertaining to the officer(s) and advisory representative(s) of the Adviser are contained on ADV Part 2B which is attached to this section.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **A. REGISTRATION AS A BROKER/DEALER OR BROKER/DEALER REPRESENTATIVE**

Separate and distinct from the services provided by MGFS, the Advisory Representatives of MGFS, are Registered Representatives of Sanders Morris Harris Inc. ("*Sanders Morris Harris*"), a registered broker/dealer, Member of the Financial Industry Regulatory Authority, Inc., ("*FINRA*") and a Registered Investment Adviser. The Edelman Financial Group, which principally owns MGFS is also the parent company of Sanders Morris Harris Inc.

Sanders Morris Harris is a diversified financial services company engaged in the sale of investment products. The Advisory Representatives of MGFS may recommend securities products offered by Sanders Morris Harris, and will receive the normal commissions if products are purchased through them; Thus a conflict of interest exists between their interests and those of Advisory Clients. Clients receive a mutual fund disclosure document which describes the structure and compensation structures for recommended funds. Clients are under no obligation to purchase products recommended by Advisory Representatives or to purchase products either through MGFS or Sanders Morris Harris.

### **B. REGISTRATION AS A FUTURES COMMISSION MERCHANT, COMMODITY POOL OPERATOR OR A COMMODITY TRADING ADVISER**

Neither Miller-Green Financial Services nor its representatives are registered as a FCM, CPO or a CTA.

### **C. REGISTRATION RELATIONSHIPS MATERIAL TO THIS ADVISORY BUSINESS AND CONFLICTS OF INTEREST**

Please see the disclosure at Item 10A. Additionally, the Representatives of Miller-Green

Financial Services are also dually registered as Advisory Representatives Sanders Morris Harris. These Advisory Representatives may recommend the investment programs available through Sanders Morris Harris and will be compensated by receipt of advisory fees as outlined in the Sanders Morris Harris disclosure documents and Advisory Agreement.

Miller-Green Financial Services does not operate and does not have a material relationship with a hedge fund or other type of private pooled investment vehicle.

Miller-Green Financial Services does not maintain registration as any of the following:

- broker-dealer, municipal securities dealer, or government securities dealer or broker
- investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)
- futures commission merchant, commodity pool operator, or commodity trading Adviser
- banking or thrift institution
- accountant or accounting firm
- lawyer or law firm
- insurance company or agency
- pension consultant
- real estate broker or dealer
- sponsor or syndicator of limited partnerships.

It is important to note that The Edelman Financial Group Inc., the owner of Miller-Green Financial Services, maintains an ownership position in several investment advisory firms across the nation. Additionally, the owner and other entities it owns may operate various investment partnerships or are involved in other business. These investments and other businesses are separate and distinct from the business of MGFS. None of the other corporate-owned entities or their personnel have any association with the day-to-day business operations of Miller-Green Financial Services.

The list of affiliated entities is extensive and if you would like to view a copy, please contact Don Gilbert, Chief Compliance Officer. You are also welcome to request information about The Edelman Financial Group, Inc. Alternatively, additional information can be found at the firm's Web site at [www.ricedelmangroup.com](http://www.ricedelmangroup.com) or by contacting the firm at (888) 752-6742.

#### **D. SELECTION OF OTHER ADVISORS OF MANAGERS AND HOW THIS ADVISER IS COMPENSATED FOR THOSE SELECTIONS**

Miller-Green Financial Services' Advisory Representatives who are dually registered as Advisory Representatives of Sanders Morris Harris may, in this capacity, recommend investment programs available through Sanders Morris Harris.

When deemed appropriate and of interest to the client, Advisory Representatives of Sanders Morris Harris may recommend the services of one or more third-party investment managers ( “*Independent Managers*”) that may offer investment programs through Sanders Morris Harris which may be designed to help clients meet their goals and objectives. The Advisory Representative will determine which Independent Managers may be appropriate, depending upon the client's stated circumstances, stated

goals and objectives, strategy desired, account size, risk tolerance, or other factors. The terms and conditions under which the client shall engage the Independent Manager(s) shall be set forth in separate written agreements between (1) the client and Sanders Morris Harris (and its Representatives) and (2) the client and the designated Independent Manager(s) and/or wrap fee program sponsor. If the Client and Adviser agree in writing, the Advisory Representative shall continue to render advisory services to the client relative to the ongoing monitoring and review of account performance, for which the Advisory Representative may receive an annual advisory fee which is based upon a percentage of the market value of the assets being managed by the designated Independent Manager(s) and paid through Sanders Morris Harris.

Clients are welcome but are never under any obligation to utilize any Independent Manager or investment program that may be recommended.

As noted in Item 8.1 of this Brochure, Miller-Green Financial Services may utilize certain asset allocations tools, portfolio models, and investment research materials prepared by independent third parties, registered investment advisers or consultants to construct an appropriate asset mix for a client and to monitor the performance of the investment portfolio selected. In providing individualized investment advice, MGFS may invest the client's assets in accordance with the recommendations of the third party or may invest the account in any manner it deems appropriate based on the client's personal objectives. All management expenses incurred from these third parties will be paid by MGFS. A portion of the advisory fee paid by a client to MGFS may be used to compensate such third party providers or consultants.

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

### **A. CODE OF ETHICS**

Miller-Green Financial Services takes the issue of regulatory compliance seriously and is committed to maintain compliance with federal and applicable state securities laws. Additionally, MGFS has a position of public trust and it is our goal to maintain that trust; provide excellent service, good investment performance; and advice that is suitable.

MGFS places great value on ethical conduct. Therefore, the ultimate goal of our internal policies is to challenge our staff to live up not only to the letter of the law, but also to the ideals set forth by the Adviser.

Clients may be familiar with the roles fiduciaries play in various legal situations and in certain industries. As a Registered Investment Adviser, MGFS is a fiduciary to each and every client.

As fiduciaries, Investment Advisors owe their clients several specific duties. According to the SEC, an Investment Adviser's fiduciary duties include:

- ❖ Providing advice that is suitable;
- ❖ Providing full disclosure of material facts and potential conflicts of interest



(such that the client has complete and honest disclosure in order to make an informed decision about services of the Adviser and about investment recommendations);

- ❖ The utmost and exclusive loyalty and good faith;
- ❖ Best execution of transactions under the available circumstances;
- ❖ The Adviser's reasonable care to avoid ever misleading clients;
- ❖ Only acting in the best interests of clients.

It is Miller-Green Financial Services' policy to protect the interests of each of the Adviser's clients and to place the clients' interests first and foremost in each and every situation. MGFS will abide by honest and ethical business practices to include, but is not limited to:

- ❖ The Adviser will not induce trading in a client's account that is excessive in size or frequency in view of the financial resources and character of the account.
- ❖ The Adviser will make investment decisions with reasonable grounds to believe that the decisions are suitable for the client on the basis of information furnished by the customer and we will document suitability.
- ❖ The Adviser and Advisory Representatives will not borrow money from clients.
- ❖ Miller-Green Financial Services will not recommend the purchase of a security without the reasonable belief that the security is registered, or the security or transaction is exempt from registration in states where we provide investment advice and based upon information the Adviser receives.
- ❖ The Adviser will not recommend that clients place orders to purchase or sell a security or engage in services through a broker/dealer or agent that is not licensed, based upon information available to the Adviser.
- ❖ The Adviser's staff shall report all required personal securities transactions to Don Gilbert, the Chief Compliance Officer as required by the SEC. Reportable trades for this Adviser include all but the following exceptions:
  - Transactions effected pursuant to an automatic investment plan;
  - Securities held in accounts over which the access person has no direct or indirect influence or control;
  - Transactions and holdings in direct obligations of the Government of the United States;
  - Money market instruments — bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments;
  - Shares of money market funds;
  - Transactions and holdings in shares of mutual funds are not

- reportable, since the Adviser does not have a material relationship with an investment company which would otherwise require reporting;
- Transactions in units of a unit investment trust are not reportable if the unit investment trust is invested exclusively in unaffiliated mutual funds.

All applicable securities rules and regulations will be strictly enforced. MGFS will not permit and has instituted controls against insider trading.

Advisory Representatives and administrative personnel who do not follow the Adviser's Code of Ethics and the Adviser's written policies and procedures, who in any way violate securities rules and regulations, or those who fail to report known or suspected violations will be disciplined or terminated, depending upon severity. Such persons could also face action by the SEC and/or state securities regulators.

At any time during engagement, clients are welcome to request a current and stand-alone copy of the Adviser's Code of Ethics by contacting the Adviser's office.

The Adviser seeks to provide advice and recommendations that are suitable, based upon information provided by clients. The Adviser emphasizes the unrestricted right of clients to decline to implement any advice rendered, in whole or part. Where the Adviser is granted discretionary authority of the client's accounts, clients are welcome to set investment parameters and/or limitations in writing and such direction is followed until such time the client's instructions are amended in writing.

## **B. RECOMMENDATIONS INVOLVING MATERIAL FINANCIAL INTERESTS**

MGFS does not recommend that clients buy or sell any security in which any of MGFS' related persons have a material financial interest. Since Advisory Representatives of Miller-Green Financial Services may receive a commission on load funds, this may represent an incentive to recommend load funds in favor of funds without a load. The receipt of 12(b)(1) fees may represent an incentive for Advisory Representatives of Miller-Green Financial Services to purchase funds with 12(b)(1) fees over others and funds with higher 12(b)(1) fees over those with lower 12(b)(1) fees.

## **C. INVESTING PERSONAL MONIES IN THE SAME SECURITIES AS CLIENTS**

Miller-Green Financial Services and/or individuals associated with Miller-Green Financial Services may have similar investment goals and objectives and as a result may buy or sell securities for their personal accounts that may be identical to or different from those recommended to clients. Thus, at times the interests of the Adviser's or staff members' accounts may coincide with the interests of clients' accounts. However, at no time will the Adviser or any related person receive an added benefit or advantage over clients with respect to these transactions. The Adviser and its associated persons will not place themselves in a position to have added benefit as a result of advice given to clients.

## **D. TRADING SECURITIES AT/AROUND THE SAME TIME AS CLIENTS' SECURITIES**

Miller-Green Financial Services its Advisory Representatives acknowledges the Adviser's fiduciary responsibility to place the investment needs of clients ahead of the Adviser and its staff. The interests of clients are held in the highest regard. At no time

will the Adviser or any related person receive an added benefit or advantage over clients with respect to these transactions. The Adviser and its associated persons will not place itself in a position to have added benefit as a result of advice given to clients.

The staff of MGFS shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry.

The Adviser has established trading policies for its access persons. Don Gilbert, the Chief Compliance Officer of MGFS is responsible for the monitoring of personal trading conducted by staff.

## **ITEM 12: BROKERAGE PRACTICES**

### **A. FACTORS USED TO SELECT CUSTODIANS AND/OR BROKER/DEALERS**

The Advisory Representatives of Miller-Green Financial Services are registered representatives of Sanders Morris Harris Inc., ("Sanders Morris Harris"), a registered securities broker/dealer and investment adviser providing a range of financial products to a variety of investors, including stocks, bonds and mutual funds. The Adviser recommends the services of Sanders Morris Harris and Pershing, LLC (a custodial service provider approved for use by Sanders Morris Harris). The decision to utilize these firms is based upon the customer service provided to investors and the services available to the Adviser. As disclosed at Item 10 of Brochure, The Edelman Financial Group, which principally owns MGFS is also the parent company of Sanders Morris Harris Inc.

While fees associated with advisory services may be higher or lower than may otherwise be available through other financial services firms, the Adviser has determined that the company currently offers the best overall value to the Adviser and its clients for the brokerage, technology and services provided. The Adviser recognizes its duty to obtain best price and execution for its clients under the circumstances available. Clients are never obligated to place securities transactions through Sanders Morris Harris. If clients utilize another financial services firm to execute recommendations, the Advisory Representatives of Miller-Green Financial Services may not participate in those transactions. Clients are welcome to inquire as to the Adviser's brokerage recommendations and execution policy by directing questions to Don Gilbert, Chief Compliance Officer of Miller-Green Financial Services.

In addition to the above information, Miller-Green Financial Services recognizes its duty to obtain best price and execution for its clients under the circumstances available. The decision to recommend the preferred service provider is also based upon the overall service provided to investors and the services available to the Adviser and providing such recommendation is consistent with the Adviser's fiduciary duty to the client. The Adviser also considers its experience with the service provider, the provider's reputation, and the quality of execution services and costs. Miller-Green Financial Services clients should also evaluate these service providers before opening an account. While it is possible that clients may pay higher commissions or transaction fees through its preferred service provider, the Adviser has determined it currently offers the best overall

value to the Adviser and clients for the brokerage and technology provided. The Adviser shall periodically and systematically review its policies and procedures regarding recommending broker-dealers to its client in light of its duty to obtain best execution.

Miller-Green Financial Services periodically reviews other alternatives that are available to the Adviser market. However, Pershing is a large and sophisticated order sender and features a broad line of products and services that are available to many types of investors.

## **1. RESEARCH AND OTHER SOFT DOLLAR BENEFITS**

Miller-Green Financial Services may receive general research, products and services other than execution from a broker/dealer or third-party in connection with client securities transactions. These benefits are known as “soft dollars”.

Section 28(e) of the Securities Exchange Act of 1934, as amended (15 U.S.C. § 78bb (e)), establishes a safe harbor for money managers who use client funds to purchase brokerage and research services for their managed accounts. Under Section 28(e), a money manager is protected from liability for a breach of fiduciary duty solely on the basis of having paid more than the lowest commission rate for “brokerage and research services provided by a broker-dealer,” the manager determines in good faith that the amount of the commission is reasonable in relation to the value of such services.

MGFS may receive certain added benefits for utilizing the recommended custodian such as general research, the ability to deduct advisory fees from clients’ custodial accounts, discounts on periodicals or materials, complimentary business and compliance newsletters, and various other non-cash services. Any general research the Adviser may receive is used for the benefit of all clients. The value of products, research and services given if any, is negligible and not a material factor in selecting Pershing. Pershing is internationally known and is a large and sophisticated brokerage and custodial firm.

Services received that benefit clients include access to a broad range of investment products, execution of securities transactions and custody of client assets. The investment products available through Pershing include some which we might not otherwise have access or that would require a significantly higher minimum investment by our clients. Pershing’s services described in this paragraph generally benefit you and your account.

Services that may not directly benefit clients are those products and services that Pershing makes available to the Adviser but may not directly benefit our clients or their accounts. These products and services assist the Adviser in managing and administering our clients’ accounts and include investment research (both the broker/dealers’ and that of third parties). We may use this research to service all or some substantial number of our clients’ accounts, including those maintained away from the broker/dealer providing the research. In addition to research, these service providers also makes available software and other technology that provides access to client account data (such as duplicate trade confirmations and account statements); facilitates trade execution and allocation of orders for multiple accounts; provides pricing and other market data, facilitates payment of advisory fees from client accounts and assists with back-office functions, recordkeeping and client reporting.

Services that generally benefit only the Adviser are those other benefits intended to help the Adviser manage and further develop its business enterprise. These services may include but are not limited to educational conferences and events as well as technology. Services include general compliance news, general legal and business consulting as well as publications and conferences on practice management and business succession. Pershing may also offer access to employee benefits providers and human capital consultants. The service providers may provide these services themselves and in other cases, they will arrange for third-party vendors to provide services to the Adviser. Pershing may also discount or waive fees for some services or pay all or a portion of a third-party's fees. Pershing may also provide other benefits such as occasional business entertainment of our personnel.

While others may, Miller-Green Financial and its Advisory Representative do not receive travel, meals and lodging when evaluating and performing due diligence on investment and mutual fund managers. The Chief Compliance Officer monitors all gifts and other considerations.

## **2. BROKERAGE FOR CLIENT REFERRALS**

Miller-Green Financial Services receives no referrals from a broker/dealer or third party in exchange for using that broker/dealer or third party.

## **3. CLIENTS DIRECTING WHICH BROKER/DEALER/CUSTODIAN TO USE**

Clients are welcome to utilize any service provider they may choose and are welcome to implement any advice or recommendations in whole or in part. In such cases, the Advisory Representatives of MGFS may not participate in transaction away from its preferred service providers.

## **B. AGGREGATION (BLOCK) TRADING FOR MULTIPLE CLIENT ACCOUNTS**

Where the Adviser has limited discretion: Transactions for each client generally will be effected independently, unless the Adviser decides to purchase or sell the same securities for several clients at approximately the same time. The Adviser may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among the Adviser's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Due to the individualized nature of services, however, large orders of securities are not always consistent with the nature of the Adviser's services. Aggregation is undertaken in firms processing large orders of securities in order to realize more effective trade execution and the cost efficiencies that come from executing larger order sizes. In each case, the Adviser strives to allocate investment opportunities or trades among its clients in a manner that is fair and equitable and based upon the client investment objectives.

Normally, under this procedure, transactions will generally be averaged as to price and allocated according to the Adviser's standard allocation procedure. This procedure considers the circumstances of each trade and always strives for fairness and cost-effectiveness to the client. In most cases when the Adviser executes only a partial fill of a targeted buy order, allocations will be pro-rated. Likewise, when the Adviser executes

only a partial fill of a targeted sell order, allocations will be pro-rated.

To the extent that the Adviser determines to aggregate client orders for the purchase or sale of securities, including securities in which the Adviser's Advisory Representatives may invest, the Adviser shall normally do so in accordance with applicable rules promulgated under the SEC's Investment Advisors Act and no-action guidance provided by the staff of the SEC. An allocation statement will be prepared and any special circumstances or conditions will be outlined in connection with each event. The Adviser shall not receive any additional compensation or remuneration as a result of the aggregation.

Certain issues may impact the Adviser's allocation under the particular circumstances and in such cases, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

The Adviser receives no additional benefit as a result of the proposed aggregation.

**Trade error policy:** The Adviser requires its personnel to carefully implement investment decisions. Nevertheless, if a trade error occurs, it is the Adviser's policy to correct the error as soon as possible and in such a manner that the affected client is not disadvantaged and bears no loss.

The Adviser utilizes a trade-error account at the preferred custodial firm as needed to process trade error reimbursements. In the event of an error, the trade is canceled and the market risk absorbed in the trade-error account.

**Trading Away from the Custodian:** Clients may incur transaction costs in addition to any commissions charged by the broker-dealer when securities traded over-the-counter are effected on their behalf through the broker-dealer on an agency basis. Broker custody of client assets may limit or eliminate the Adviser's ability to obtain best price and execution of transactions in over-the counter securities. with their then current internal policy.

## ITEM 13: REVIEW OF ACCOUNTS

### A. FREQUENCY AND NATURE OF PERIODIC REVIEWS AND REVIEWERS

**Investment Management Services** involve continuous and ongoing services to include frequent monitoring and internal review of portfolio assets on a quarterly, monthly, or perhaps a more frequent basis. The frequency of and processes for the internal portfolio

reviews are dependent upon the nature and complexity of the portfolio and at the discretion of the Adviser. Reviews may also occur at the time of significant deposits or withdrawals. Reviews generally entail analyzing securities, sensitivity to various markets, investment results and other factors. The Adviser may also review a portfolio if the client's asset allocation deviates over the target acceptable limits, at which time portfolio action is considered.

Individual reviews (with clients) are conducted as requested by the client or at the Adviser's discretion. The timing of reviews conducted with clients are guided by the client's stated objectives or at the Adviser's discretion. In addition, clients are obligated to contact the Adviser when there exists a real or potential change in the clients' financial condition. This prompt notification gives the Adviser the opportunity to review the clients' new information and as a result the Adviser and client can help ensure the investment strategies continue to be appropriate based on client's data and stated objectives.

The Adviser is available to provide **Consultation Services** on a complimentary basis for existing clients. These services are not ongoing in nature and terminate upon the conclusion of services/the requested project unless otherwise outlined in the Advisory Agreement. While the advice provided may include a recommendation for reviews or meetings at a later date, the client is welcome but never obligated to engage the Adviser for additional and/or future services. In such cases, additional or follow-up services can be conducted via a new or amended agreement.

## **B. REVIEWERS**

Reviews are conducted by Bert Miller, Don Gilbert and the Advisory Representatives of MGFS.

## **C. FACTORS THAT MAY TRIGGER NON-PERIODIC REVIEWS OF CLIENT ACCOUNTS**

The timing of Internal portfolio reviews may also be guided by the underlying assets of the portfolio, individual circumstances as reasonably known by the Adviser, market conditions and the request of the client.

Reviews may also be triggered by material market, economic or political events. As noted in Item B above, reviews may also be triggered by reported changes in the client's financial situation (which may include but are not limited to: Termination of employment, physical relocation, inheritance or retirement).

## **D. CONTENT AND FREQUENCY OF REGULAR REPORTS PROVIDED TO CLIENTS**

Clients can expect to receive confirmation statements from all transactions and a monthly/quarterly statement, directly from their custodial firm. The custodian's quarterly reports detail account value, net change, portfolio holdings, and all account activity. The Adviser may prepare additional portfolio data or post meeting communications at the Adviser's discretion.

## **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

### **A. ECONOMIC BENEFITS PROVIDED BY THIRD PARTIES FOR ADVICE RENDERED TO CLIENTS (INCLUDES SALES AWARDS OR OTHER PRIZES)**

Miller-Green Financial Services does not receive any economic benefit, directly or indirectly from any third party in connection with advice rendered to Miller-Green Financial Services' clients.

Advisory Representatives of MGFS are also registered representatives of an affiliated broker/dealer and are independently licensed insurance agents appointed with various insurance companies. In these capacities, Representatives may recommend, on a fully disclosed commission basis, the purchase of certain securities and/or insurance products. These outside business activities do not constitute a significant portion of Advisory Representatives' time. However, while it is possible that licensed/registered personnel could be eligible to receive additional compensation from insurance or brokerage companies in the form of sales awards or prizes, it is not likely. Should this information change materially, this section will be promptly amended to reflect current data relating to these outside business activities. In all cases, participation in any type of award programs would be monitored by the Adviser's Chief Compliance Officer.

### **B. COMPENSATION TO NON-ADVISORY PERSONNEL FOR CLIENT REFERRALS**

Miller-Green Financial Services does not directly or indirectly compensate any person who is not part of MGFS' advisory personnel for client referrals.

## **ITEM 15: CUSTODY**

MGFS does not maintain custody of client accounts (funds or securities). Custody of clients' accounts is held at the client's selected custodial firm. Clients will receive regular and customary account statements from the custodian and should carefully review those statements. In all cases, clients have a direct and beneficial interest in their securities (individual ownership), rather than an undivided interest in a pool of securities. Execution of transactions and custody of client funds and securities are services provided by the client's selected brokerage/custodial services provider(s).

The Adviser will only have limited access to its clients' custodial accounts in order to implement trades via written authorization and to deduct contractually agreed upon investment advisory fees and only with the appropriate client authorization. In each instance where fee deduction occurs, it is important that clients receive custodial statements directly. If clients find that statements are not being received directly, they must promptly contact Miller-Green Financial Services and their custodial firm.



## **ITEM 16: INVESTMENT DISCRETION**

Certain clients (as described below) have the ability to leave standing instructions with the Adviser to refrain from investing in particular industries, invest in limited amounts of securities and to re-balance portfolios (also termed as “investment discretion”). Alternatively, the Adviser will not maintain discretionary authority.

Clients may grant limited discretionary authority to the Adviser (as evidenced by the Advisory Agreement). With the client’s authorization as provided in the custodial account forms and the MGFS Advisory Agreement, the Adviser will maintain limited discretionary trading authority to execute securities transactions in the investor’s portfolio within investor’s designated investment objectives, to include the securities to be bought and sold, and the amount of securities to be bought and sold. Miller-Green Financial Services will not have discretionary authority to withdraw funds or take custody of client funds or securities.

MGFS will never have full power of attorney nor will the Adviser ever have authority to withdraw funds or to take custody of investor funds or securities other than the ability to deduct advisory fees via investor’s qualified custodian and only with client authorization.

In some cases, the Adviser also may render non-discretionary investment management services to its clients relative to: (1) variable life/annuity products that they may own, and/or (2) their individual accounts held through employer-sponsored retirement plans. In so doing, the Adviser either directs or recommends the allocation of client assets among the various mutual fund subdivisions that comprise the variable life/annuity product or the retirement plan. The client assets shall be maintained at either the specific insurance company that issued the variable life/annuity product which is owned by the client, or at the custodian designated by the sponsor of the client’s retirement plan. Investments and service providers relative to Plan offerings are limited to only those available through the respective Plans and are determined by the Plan Sponsor(s).

## **ITEM 17: VOTING CLIENT SECURITIES (PROXIES)**

Clients retain the authority to vote proxies. The Adviser requires that investors ensure that proxy ballots are mailed (or transmitted electronically if selected by the client) directly to each investor or an authorized third party.

The Adviser will not take action with respect to any securities or other investments that become the subject of any legal proceedings, including bankruptcies.

## **ITEM 18: FINANCIAL INFORMATION**

### **A. BALANCE SHEET**

Miller-Green Financial Services does not require nor solicit prepayment of more than \$1200 in fees per client, six months or more in advance of services and therefore is not required to include a balance sheet with this brochure.

## **B. FINANCIAL CONDITIONS REASONABLY LIKELY TO IMPAIR THE ADVISER'S ABILITY TO MEET CONTRACTUAL COMMITMENTS TO CLIENTS**

Neither Miller-Green Financial Services nor its management have any financial condition that is likely to reasonably impair the Adviser's ability to meet contractual commitments to clients.

## **C. BANKRUPTCY PETITIONS IN PREVIOUS TEN YEARS**

Miller-Green Financial Services has never been the subject of a bankruptcy petition.

## **ADDITIONAL INFORMATION: PRIVACY POLICY**

As a federally regulated Registered Investment Adviser, Miller-Green Financial Services is covered under the definition of a "financial institution" in the Gramm-Leach-Bliley Act (the "Act"). The Adviser is therefore subject to Act as well as the rules of privacy imposed on Investment Advisers by the United States Securities and Exchange Commission's ("SEC") Privacy Rule ("Regulation S-P").

Privacy of nonpublic personal information is an issue that the staff of MGFS takes seriously. To maintain compliance with Regulation S-P and the Act, every broker, dealer, investment company and investment adviser is required to adopt policies and procedures reasonably designed to safeguard customer records and information.

In its role as Investment Adviser, MGFS routinely collects nonpublic personal information from clients and prospective clients. This information generally will include but is not limited to:

- Information provided from applications, forms and other information provided to us either verbally or in writing, and include but are not limited to your name, address, phone number, account information, social security number, assets, employment, income and debt;
- Information about your transactions, accounts, trading activity and parties to transactions; health and beneficiary information (such as may pertain to planning and risk management issues);
- Information from other outside sources;
- Any other data that is deemed to be nonpublic personal information as defined by the Act and the SEC's Privacy Rule.

MGFS values our clients' trust and confidence. We will never sell the nonpublic personal information we obtain from consumers or clients.

All information provided by clients or prospective clients to MGFS, (including the Adviser's personnel), and information and advice furnished by the Adviser to clients,

shall be treated as confidential and shall not be disclosed to unaffiliated third parties, except as directed by clients with written authorization, by application to facilitate the investment advisory services offered by the Adviser via an affiliated or unaffiliated financial services provider (such as the client's custodial firm or broker/dealer), or as required by any rule, regulation or law to which the Adviser or its staff may be subject.

MGFS maintains clients records in a controlled environment and records (electronic and otherwise) are only available to authorized persons of the Adviser who have a need to access client information in order to deliver advisory services, provide administrative support, or to respond to client requests. The Adviser has made reasonable efforts and conducts periodic tests to ensure that its electronic network is hack-proof and secure.

MGFS' position on protecting non-public personal information extends beyond the life of the Advisory Agreement. Client information is retained in a protected manner for the time period required by regulators (five years from the data of last use) and thereafter is safely destroyed via in-house shredding or a contracted secure shredding service.

Consumers (who are not clients) who provide information during an initial consultation or for other purposes but do not go on to become clients of the Adviser also receive privacy protection. Original information will be promptly returned in person or via the mail if the Adviser's services are not engaged. Alternatively, if nonpublic personal information is contained in copies of documents, notes or some other media, this information will be securely filed for a period of up to one year (depending upon likelihood of engagement) before being shredded in-house or via our secure shredding service.

Clients are encouraged to discuss any questions regarding MGFS' privacy policies and procedures with Don Gilbert, Chief Compliance Officer of MGFS.