

Item 1: Cover Page

**DISCLOSURE BROCHURE
PART 2A**

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PREPARED IN COMPLIANCE WITH
THE INVESTMENT ADVISERS ACT OF 1940 RULE 204-3(A)



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This Disclosure Brochure provides information about the qualifications and business practices of Kirtland Financial Management, Inc. which should be considered before becoming a client. Please contact Mr. Brett Hixon, Chief Compliance Officer, at brett.hixon@raymondjames.com if you have any questions about the contents of this brochure. Registration as an investment advisor does not imply any level of skill or training.

The information contained in this Disclosure Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Administrator. Additional Information about Kirtland Financial Management, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov. You may search this site using a unique identifying number, known as a CRD number, Kirtland Financial Management's CRD Number is 131138.

BROCHURE
DATED
1
MARCH
2015

Item 2: Material Changes

In this Item of Kirtland Financial Management, Inc.'s (KFM or the Firm) Form ADV 2, the Firm is required to discuss any material changes that have been made to Form ADV since the last Annual Amendment, dated March 11, 2015.

Material Changes since the Last Update

Since the last Annual Amendment filing, the Firm has no material changes to report.

Full Brochure Available

KFM's Form ADV may be requested at any time, without charge by contacting Brett Hixon, Chief Compliance Officer, at 305.648.0006 or Brett.Hixon@RaymondJames.com.

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Item 4: Advisory Business

Mission Statement

The mission of Kirtland Financial Management, Inc. is to provide clients with integrated long-term solutions for their financial and related personal needs by providing objective advice on the complex financial options available in today's global economic environment. This is accomplished by assisting clients manage time horizons, volatility, and risk through the implementation of investment strategies and designed financial planning disciplines exclusive to each client.

Business Focus

Kirtland Financial Management, Inc., (hereinafter referred to as "KFM", "we", "us" and "our") is a registered investment advisor¹ engaged in the business of assisting clients to implement fiscally responsible practices that are tailored to address their monetary needs for today, tomorrow, and in the future. Our financial planning and investment counsel are directed to the needs of high net worth individuals and their families, charitable organizations, pension and profit sharing plans, affluent business owners, and entrepreneurs that have come to expect professional and quality service. KFM has operated as a Registered Investment Advisor since 1999. Mrs. Mary D. Kirtland is the primary owner of KFM.

A client's economic health and well-being is impacted by four primary sectors in their financial life. Each sector is sensitively linked; if the balance of these sectors is weighted too heavily in one direction, then the impending results might adversely affect the client. Therefore, what we seek to do is examine a client's total financial situation to determine how any financial advice might impact the stability of these sectors, and then advise the client based on the scenario most likely to prevent such imbalances from occurring. Consequently, the complex investment alternatives available to the client are then reduced to those investment options best suited to maintain the desired balance.

These four sectors are:

- **Income** – Employment, investment income, windfall/inheritance, social security, and pension income.
- **Household Expenses** – Housing, utilities, transportation, insurance, education, debt repayment, and other expenses including entertainment.
- **Assets** – Real estate, investments, other tangible property, and intangible property.
- **Liabilities** – Mortgage, credit card, automobile, and unsecured debt.

Therefore, KFM looks at a client's financial goals and life style needs as an interaction between their *income* and *household expenses*, their collection and management of *assets*, and their use and management of *liabilities and net worth*.

Financial Planning Services

Successful financial planning can be achieved by starting with a clear picture of a client's financial needs and objectives. The financial plans we develop for clients are designed to help us eliminate much of the guesswork in achieving the financial freedom and independence the client desires by simplifying these financial alternatives. For the client, such quality time invested by KFM on the front-end can solve problems and eliminate future concerns.

Financial planning is an evaluation of the investment and financial options available to a client based upon their defined economic criteria. Planning includes: (i) attempting to make optimal decisions; (ii) projecting the consequences of these decisions for the client in the form of a financial plan – a working blueprint; (iii)

¹ The term "Registered Investment Advisor" is not intended to imply Kirtland Financial Management, Inc. has attained a certain level of skill or training. It is used strictly to reference the fact that we are "Registered" as an "Investment Advisor" with the United States Securities and Exchange Commission – and with such other regulatory agencies that may have limited regulatory jurisdiction over our business practices.

implementing the protocol to achieve the objectives of the plan; and then, (iv) comparing future performance against the working blueprint.

A financial plan can be integrated – a mutually defined review of the client's personal financial needs; or, targeted – review, analysis and evaluation of a core area of financial need. In general, financial planning encompasses one or more of the following areas of concern:

- **Personal** – Family records, budgeting, personal liability, estate information and financial goals.
- **Education** – Education IRAs, financial aid, and state savings plans including 529 plans, grants and general assistance in preparing to meet dependents continuing educational needs through development of an education plan.
- **Taxes & Cash Flow** – Understanding the impact of various investments on a client's current income tax and future tax liability.
- **Death & Disability** – Cash needs at death, income needs of surviving dependents, estate planning and income analysis.
- **Estate** – Reviewing estate planning documents, including wills and trusts, to determine if a client should seek the assistance of an estate planning attorney. Reviewing powers of attorney, nursing home and assisted living agreements, living trusts, and Medicare/Medicaid benefits.
- **Retirement** – Analysis of current strategies and investment plans designed to help you achieve your retirement goals.
- **Investments** – Analysis of investment alternatives and their effect on a client's investment portfolio(s), including a risk and return analysis. Assessment of a client's risk tolerance profile.
- **Real Estate** – Analysis of real estate investment opportunities.
- **Insurance** – Review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.

Methodology

Our financial planning methodology follows the six (6) steps specified in the Financial Planning Practice Standards established by the Certified Financial Planning Board.

1. Establishing and defining the client-planner relationship.
2. Gathering client data identifying both financial and personal goals and objectives.
3. Analyzing and evaluating the client's financial status.
4. Developing and presenting financial planning recommendations and/or alternatives.
5. Implementing the financial planning recommendations.
6. Monitoring the financial planning recommendations.

These standards build on serving the complete financial need of the client by implementing specific measures to solve problems and establish financial objectives that are in the best interest of the client.

Preparing the Financial Plan

KFM prepares the financial plan in four (4) phases. These phases are defined as follows:

Phase I – Evaluate

Through the detailed assessment process, KFM learns about the client and what the client wants to achieve. This is accomplished through personal interviews and profile questionnaires², which are designed to address

² The profile questionnaires used by KFM are important tools in gathering information about the client's investment methodology, risk tolerance, income/tax bracket, liquidity, time horizons, etc.... If the client elects not to answer the questionnaires or chooses to respond with limited input, it is possible that we could operate in a handicapped capacity. Therefore, if the client desires the most effective and accurate recommendations, they will make every effort to provide us with detailed personal needs and objectives, along with detailed financial and tax information.

all of the financial planning disciplines discussed above. The client has the opportunity to prioritize their objectives and to remove from the process any areas that are not applicable to their circumstances.

The time we invest in the detailed assessment process to listen and cater to the client's desires is critical for developing a strong financial planning foundation. Such time helps to: (1) define and narrow the client's objectives and investment options; (2) stimulate creative thinking; (3) identify areas of greatest concern; (4) create a unique picture of the client's overall financial personality; and (5) Provide an effective and efficient way for us to address each client's unique financial needs and objectives.

After the interview process, we will prepare an agenda and conduct a meeting with the client to begin formally documenting their goals and objectives. From this meeting, we may draft a report documenting the financial planning process disciplines, which the client wishes to address, and detailing the specific objectives under each discipline. Redrafting and meetings can be repeated until the client is completely satisfied with the report. Depending upon the engagement, different levels of financial reporting will be undertaken. At a minimum, a statement of financial position, designed for financial planning use only, will be prepared.

Phase II – Integrate

We define the financial plan as a series of blueprints designed to take the client from where they currently are financially, to where they want to be financially. This is the creative portion of the process. There are usually many different ways to accomplish a given goal. The objective, however, is to formulate a plan that the client will be comfortable executing. In some cases, the drafting of the plan reveals the need for us to help the client reconcile the gap between their expectations and their financial realities. Once a viable plan has been drafted, it is presented to and reviewed with the client. The draft and review process may be repeated until the client is satisfied with the financial plan.

Phase III – Formulate

A financial plan is of limited value if it is not put into action. Accordingly, we place a premium on implementing³ and monitoring the plan. The implementation schedule provides the client with a list of tasks and deadlines designed to ensure that the plan is put into action. The following are some examples of implementation: (i) drafting of appropriate estate documents (performed by an estate attorney); (ii) purchase of various insurance policies; (iii) discretionary investment advisory services, including preparation of an Investment Policy Statement and Client Profile and asset allocation strategy (performed by KFM, or another investment adviser/broker-dealer of the client's choice); (iv) adoption of a personal budget; and, (v) income tax planning (prepared by a CPA).

Phase IV – Delegate

Once the plan has been built and the recommendations have been implemented it is critical that these recommendations be monitored on a continuing basis to assure that they remain consistent with the Investment Policy Statement, if the assets are advised on a discretionary basis. This process requires periodic rebalancing of the portfolio to assure that our client's original objectives are maintained. Continued monitoring of established personal budgets and the continued effects of taxation on the plan are assessed regularly and continually for clients who have taken advantage of our Annual Retainer Agreement.

Investment Advisory Services

Our managed accounts are designed to build long-term wealth while maintaining risk tolerance levels acceptable to the client. With every managed account, we incorporate investment strategies that have been pre-determined from the investment parameters outlined in the Investment Policy Statement, if the assets are advised on a discretionary basis. Such investment strategies are made up of one or more of the following investment styles:

³ Implementing the recommendations made in a financial plan often requires consultation or coordination with one or more outside professionals (e.g.: attorneys, CPAs, insurance and securities representatives). All information provided by and received from the client will be kept entirely confidential, not only by KFM, but by the outside professionals as well. Such information will be disclosed to third parties only with mutual consent or as may be permitted or required by law.

- **Capital Appreciation** – Strategies designed to take advantage of the current economic environment and to offer enhanced equity growth and income performance.
- **Capital Preservation** – Strategies designed to produce consistent, stable investment returns that do not fluctuate so aggressively with daily changes in the financial markets.
- **Retirement Living/Tax Implications** – Long-term strategies designed to capitalize on investment returns that yield either low taxes or are tax exempt.

In accomplishing these objectives we will: (i) create tailored investment solutions; (ii) implement the designed investment strategies, or match the investment needs of the client with a group of third-party money managers (“Portfolio Managers”) and/or mutual funds for investment advisory services, asset allocation and timing services; and, (iii) monitor the investment performance of such management strategies and/or Portfolio Managers.

Portfolio Composition

Investment advisory services of KFM primarily utilize equities, fixed income (bond) vehicles, and investment company products to make up the composition mix within each client’s portfolio.

The investment mix for each client is uniquely designed to achieve the desired investment return for the client. However, the selected equities and fixed income vehicles in a client’s portfolio are typically diversified into many stocks and bonds that are common to all client accounts. This is the only common denominator; from that point the composition mix and quantity of stocks and bonds in any given client account is completely subjective.

Such classifications are a hypothetical representation of a typical account composition but should not be construed as absolute. Ultimately, the exact composition makeup and allocation of securities are determined by the client’s investment parameters, which can compose a more detailed and/or complex structure.

We may also, on occasion at the clients urging, use additional investment vehicles to achieve the client’s desired investment objective: derivatives, index funds, leveraged index funds, closed-end funds, mutual funds, equipment leasing, private placements and other publicly traded securities.

Methodology

Our investment methodology is based on five (5) premises, each of which is devised from modern portfolio theory.

1. Clients are inherently risk-averse.
2. The markets are basically efficient.
3. The focus of attention is shifted away from individual securities analysis to consideration of portfolios as a whole, predicated on explicit risk-reward parameters.
4. For any level of risk that the client is willing to accept, there is a rate of return that should be achieved.
5. Portfolio diversification is not so much a function of how many issues are involved, but more a function of the relationships and proportions of each asset to its correlating asset.

It is our practice to develop an Investment Policy Statement for each client, if the assets are managed on a discretionary basis. The Investment Policy Statement is a report which has recommendations and is intended to provide guidance in the client’s decision regarding the allocation of capital in the client’s portfolio. The approach used in making portfolio recommendations is based on these perspectives and assumptions: (i) an evaluation of your risk preference and rate of return objectives; (ii) asset selections, liquidity, and cost constraints required in the development of a long-term portfolio strategy; and, (iii) an attempt to match established policies and objectives with the client’s risk and return preferences. This method of formalizing policies and objectives, establishing risk/reward parameters, selecting asset classes, defining allocation constraints, and setting guidelines for performance evaluation is of paramount importance in maintaining long-term investment strategies and portfolio growth. The report is prepared using historical performance data for the investments included therewith. The data is obtained from outside source and is believed to be reliable, but there can be no guarantees as to its accuracy or reliability.

Portfolio Monitoring Services

For those clients who believe they will benefit from a separately managed account, we may match the client's particular needs, as outlined in the Investment Policy Statement (designed for those clients whose assets are managed on a discretionary basis), with an independent third-party money manager ("Portfolio Managers") for investment advisory services, asset allocation and timing services through a wrap fee program.

Selecting Portfolio Managers

KFM may make available to the client a selected group of Portfolio Managers that fit the client's investment criteria. Such Portfolio Managers, under our direction, may then implement the investment advisory services allocation and timing services.

The Portfolio Managers may have little or no direct client contact, relying instead on our pre-qualification as directed through the Investment Policy Statement. We may perform such qualifying analysis together with performing certain professional, administrative and clerical duties prior to selecting and opening accounts with a particular Portfolio Manager.

Monitoring Services

Once the Portfolio Manager has been selected and the account established, we may monitor the performance of the Portfolio Manager and the client's investments continuously based on the procedures and timing intervals delineated in the Investment Policy Statement. Although KFM is not involved in any way in the purchase or sale of these investments, KFM will supervise the client's portfolio and may make recommendations to the client as market factors and the client's needs dictate.

Tailored Relationships

KFM tailors investment advisory services to the individual needs of the client. KFM clients are allowed to impose restrictions on the investments in their account. All limitations and restrictions placed on accounts must be presented to KFM in writing. Clients will retain individual ownership of all securities.

Wrap Fee Programs

As described above, KFM may participate in a Wrap Fee Program.

Client Assets

As of December 31, 2014 KFM managed \$170,290,881.74 in client assets; \$154,629,658.79 was managed on a discretionary basis and \$15,598,222.95 was managed on a non-discretionary basis.

Item 5: Fees and Compensation

Financial Planning Fees

KFM's financial planning services are offered at \$250 per hour. The total fee for a financial planning engagement will be fully disclosed up-front before work commences. This will include the cost to review your financial information and prepare the desired financial planning service. The entire fee will be due upon completion of the plan.

Termination of Financial Planning Services

Should a client wish to terminate a financial planning engagement before presentation of the financial plan, we will be compensated through the date of termination for time spent in design of the financial plan at our hourly rate of \$250. After the financial plan has been completed and presented to the client, a refund will not be made.

Investment Advisory Fees

The standardized fee structure below presents the annual percentage charged for investment advisory services provided on an asset-based fee arrangement. The fee for a quarter is one fourth of the annual applicable percentages multiplied by the aggregate market value of the assets in the account on the last business day of each calendar quarter. The fee schedule is as follows:

Investment Advisory Fee Schedule

Account Balance	Annual Rates
Under \$1,000,000	1.00%
\$1,000,000 - \$2,000,000	0.90%
\$2,000,001 - \$3,000,000	0.80%
\$3,000,001 - \$4,000,000	0.70%
Over \$4,000,000	Negotiable

Cash assets are not billed.

KFM requires a minimum initial investment of \$500,000 to open any managed account. However, this minimum may be waived under certain circumstances. KFM retains discretion to negotiate the investment advisory fee lower than the above indicated Annual Fee Rate on a client-to-client basis depending on the size, complexity, and nature of the portfolio managed. In addition, we have the ability to pay processing fees charged to clients of RJFS and receive 12(b)-1 fees, if applicable, to offset this expense.

All investment advisory fees will be fully disclosed in the client's Investment Advisory Agreement with KFM.

Portfolio Monitoring Services Fees

The Wrap Fee Portfolio Managers who may be used to manage client's accounts will disclose their fee for investment advisory services in their Disclosure Brochure (the Portfolio Manager's Form ADV Part 2 and/or Form ADV Part 2A Appendix 1), which KFM will provide to the client prior to opening an account. Such fees that will be charged to a client's account may include: (i) the investment advisory fee (which includes the Portfolio Manager's and KFM's fees); and/or (ii) trading commissions and/or account charges that may be imposed by the custodian or broker/dealer used to custody the accounts. The Portfolio Manager's Disclosure Brochure contains all pertinent disclosures relating to their investment advisory services and the fee structure for such services – the client is encouraged to carefully review these disclosures.

Clients may be able to retain the services of a Portfolio Manager independently from KFM. In those cases where this can occur, the client might be able to negotiate a lower investment advisory fee since the Portfolio Manager would not have to compensate the third-party (i.e., KFM) for the referral. Regardless, the Portfolio

Manager's Disclosure Brochure (the Form ADV Part 2 and/or Form ADV Part 2A Appendix 1) is required to inform the client of any increased investment advisory fee because of the third-party relationship with KFM; and, such information is to be disclosed before or at the time an account is opened.

Protocols for Investment Advisory Services

The following protocols establish how we handle our investment advisory accounts and what clients should expect when it comes to: (i) their bill for investment advisory services; (ii) depositing or withdrawing funds from their account(s); (iii) other fees charged to their account(s), (iv) investment of cash reserves; and, (v) termination.

Billing

Advisory fees will be charged quarterly in arrears, based upon the total asset value of client's account at the end of each quarter, but adjusted for cash inflows and outflows throughout the quarter. The quarterly fee will be calculated using a flat rate. The account market value will determine the client's fee schedule. Cash assets are not billed upon. Such fees shall become due and payable the following business day.

Investment advisory fees will be taken first from free credit balances or from any money market funds or balances. If such assets are insufficient to satisfy payment of such fees, a portion of the account assets will be liquidated to cover the fees. Such liquidation may affect the relative balances of the account. The quarterly fee is deducted, by the custodian, from the client's assets. Clients may choose to be billed for fees incurred and pay via check rather than asset deduction.

Fee Exclusions

The above fees for all our investment advisory services are exclusive of any charges imposed by the custodial firm, such as: (i) any Exchange/SEC fees; (ii) service or account charges, including, debit balances or postage/handling fees; and/or, (iii) commissions earned by the custodial firm for securities transactions; (iv) any processing and/or ticket charges charged by the custodial firm.

In addition, all fees paid to us for investment advisory services are separate from any fees and expenses charged to shareholders of mutual fund shares by the investment company or by the investment adviser managing the mutual fund portfolios. These expenses generally include investment advisory fees and various fund expenses, such as: 12b-1 fees and contingent deferred sales charges. Clients should also understand that the shares of certain mutual funds offered may impose short-term trading charges (typically 1%-2% of the amount originally invested) for redemptions generally made within short periods of time. These short-term charges are imposed by the funds (and not KFM) to deter "market timers" who trade actively in fund shares. Clients should consider these short-term trading charges when selecting the program and/or mutual funds in which they invest, these charges, as well as operating expenses and investment advisory fees which may increase the overall cost to the client by 1%-2% (or more). A complete explanation of these expenses charged by the mutual funds is contained in each mutual fund's prospectus. Clients are encouraged to carefully read each fund prospectus carefully.

Select mutual fund companies have agreed to pay administrative fees to the custodial firm in consideration for Raymond James & Associates' (Raymond James) waiver of the Processing Fee assessed on certain IMPAC® mutual fund purchases ("Participating Funds"). KFM does not receive any part of these payments. For a list of fund companies that have agreed to pay Raymond James servicing fees for eligible purchases of Participating Funds, please contact KFM by phone at (305) 648-0006 or by sending an email request to: brett.hixon@raymondjames.com.

Investment of Cash Reserves

With respect to cash reserves of advisory client accounts, the custodian of the account assets will determine where cash reserves are held. The custodian may offer one or multiple options to different account types (such as non-taxable and managed accounts). In addition, the custodian may, among other things, consider terms and conditions, risks and features, conflicts of interest, current interest rates, the manner by which future interest rates will be determined, and the nature and extent of insurance coverage (such as deposit protection from the Federal Deposit Insurance Corporation and the Securities Investor Protection Corporation). The custodian may change an investment option at any time by providing the Client with

thirty (30) days advance written notice of such change, modification or amendment. Clients selecting the RJBDP option are responsible for monitoring the total amount of deposits held at each Bank in order to determine the extent of FDIC insurance coverage available. KFM is not responsible for any insured or uninsured portion of Client deposits at any of the Banks.

Cash balances arising from the sale of securities, redemptions of debt securities, dividend and interest payments and funds received from customers are transferred automatically on a daily basis to the client's cash sweep account. When securities are sold, funds are deposited on the day after settlement date. Funds placed in a client's account by personal check usually will not be transferred to the sweep account until the second business day following the day that the deposit is credited to the client's investment account. Due to the foregoing practices, the custodial firm may obtain federal funds prior to the date that deposits are credited to the client's investment account and thus may realize some benefit because of the delay in transferring such funds to their interest-bearing cash sweep account.

Termination Provisions for Investment Advisory Services

If a client pays fees in arrears, and terminates the account, on a day other than the last day of a calendar quarter, KFM shall be paid any fees due from the beginning of the calendar quarter through the date of termination.

Our investment advisory services may be terminated in writing at any time. Once the termination notice has been received and we have implemented the final instructions from the client, we are no longer responsible for the management of client assets. From the date that the termination goes into effect, the client becomes responsible to make their own investment decisions.

For IMPAC® accounts with Raymond James, the termination provisions vary somewhat. Please read the IMPAC® Investment Advisory Agreement for the specifics on termination.

Securities Transactions for Compensation

As previously mentioned Mrs. Mary D. Kirtland and Mr. Brett C. Hixon are Registered Representative of Raymond James Financial Services, Inc. ("RJFS") and execute, as brokers, securities transactions for brokerage clients and will earn sales commissions from such transactions. This could be considered a conflict of interest when giving investment advice for a fee on securities products that can be sold for a commission.

Certain open-end mutual funds may, in addition to assessing management fees internally, assess a 12(b)-1 distribution fee or an administrative or service fee (See Fee Exclusions under "*Protocols for Investment Advisory Services*" above for other costs that may be assessed to client accounts.). In cases where KFM pays a portion of or the entire processing fee on behalf of the client, we are eligible to receive a portion of this 12(b)-1 fee to offset our expense.

Other than the above mentioned situation, Mrs. Kirtland and Mr. Hixon will not receive commissions for securities transactions that occur within those accounts managed by KFM. Furthermore, in cases where Mrs. Kirtland or Mr. Hixon could receive commissions, it is KFM's policy to fully disclose, prior to execution of such transactions, the fact that they will receive commissions associated with the purchase or sale of such securities.

Item 6: Performance-Based Fees and Side-by-Side Management

Neither KFM nor any of its employees accepts performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

KFM does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

Item 7: Types of Clients

KFM provides investment advice to the types of clients described in Item 4, Advisory Business above.

KFM requires a minimum account under certain circumstances of \$500,000 for investment advisory clients, although this may be negotiable. KFM may group certain related client accounts for the purposes of achieving the minimum account size.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

In analyzing stock and bond investments, KFM will use a fundamental and technical approach to gathering information. Such analysis considers: economic conditions, earnings, cash flow, book value projections, industry outlook, politics (as it relates to investments), historical data, price-earnings ratios, dividends, general level of interest rates, company management, debt ratios and tax benefits to guide KFM in its allocation decisions.

Investment Strategies

KFM generally recommends long-term investment strategies requiring a minimum of a five to ten year time horizon and holding period.

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear.

All investments involve the risk of loss, including (among other things) loss of principal, a reduction in earnings (including interest, dividends and other distributions), and the loss of future earnings. Although KFM manages the assets in a manner consistent with risk tolerances, there can be no guarantee that our efforts will be successful. The investor should be prepared to bear the following investment risks of loss:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar next year will not buy as much as a dollar today, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Item 9: Disciplinary Information

Registered investment advisers are required to disclose all pertinent facts regarding any legal or disciplinary events that would be material to your evaluation of KFM or the integrity of KFM's management. There are no material, legal or disciplinary events to disclose under this item.

Item 10: Other Financial Industry Activities and Affiliations

KFM is not registered and does not have an application pending as a securities broker-dealer, futures commission merchant, commodity pool operator or commodity trading advisor.

Brokerage Affiliations

Mrs. Mary D. Kirtland and Mr. Brett C. Hixon are Registered Representatives of Raymond James Financial Services, Inc. ("RJFS"), to sell listed/unlisted securities, mutual funds, and variable insurance products. RJFS clears its securities transactions on a fully disclosed basis through Raymond James & Associates, Inc. (member FINRA/SIPC), which is also a wholly owned subsidiary of Raymond James Financial, Inc. As Registered Representatives of RJFS, Ms. Kirtland and Mr. Hixon are subject to FINRA Conduct Rule 3040 that restricts them from conducting securities transactions away from RJFS. Therefore, clients are advised that Ms. Kirtland and Mr. Hixon are limited to conducting securities transactions through RJFS.

RJFS provides on-line services for account administrative and operational support, including: electronic trading, block-trading authorization, and software to access client data, back-office support, recordkeeping, client reporting, and other relevant technology tools through its custodial relationships.

Notwithstanding the fact that Mrs. Kirtland and Mr. Hixon are Registered Representatives of RJFS; KFM is solely responsible for the investment advice rendered. Advisory services are provided separately and independently of the broker/dealer.

Insurance Company/Agency Affiliations

Mrs. Mary D. Kirtland and Mr. Brett C. Hixon are currently the only Investment Advisor Representatives of KFM who are licensed to sell insurance-related products and earn commissions from the sale of these products. Mrs. Kirtland and Mr. Hixon are Florida licensed Life and Variable Annuity Insurance Agents. Mr. Hixon is also licensed to sell health insurance.

Other Investment Advisors

As described in Item 4, KFM may select other investment advisors for its clients and may receive compensation from those advisors.

Item 11: Code of Ethics

Code of Ethics

As a fiduciary, KFM has an affirmative duty to render continuous, unbiased investment advice, and at all times act in the clients' best interest. To maintain this ethical responsibility to clients, KFM has adopted a Code of Ethics (Code) that establishes the fundamental principles of conduct and professionalism expected by all officers, directors and employees in discharging their duties. This Code is a value-laden guide committing such persons to uphold the highest ethical standards, rooted in the most elementary maxim, "Do the right thing!"

KFM's Code is designed to deter inappropriate behavior and heighten awareness as to what is right, fair, just and good by promoting:

- Honest and ethical conduct
- Full, fair and accurate disclosure
- Compliance with applicable rules and regulations
- Reporting of any violation to the Code
- Accountability

To help clients understand KFM's ethical culture and standards, how KFM controls sensitive information and what steps have been taken to prevent personnel from abusing their inside position, a copy of KFM's Code is available for review upon request.

Client Transactions

Participation or Interests

It is against KFM's policy for any officers, directors and employees to invest in a private business interest or other non-marketable investment with a client or clients unless KFM has granted prior approval, and is not in violation of any SEC and/or State rules and regulations.

Personnel of KFM are permitted to personally invest their own monies in investments that may, from time to time, be recommended to clients. Such investment purchases are to be independent of, and not connected in any way to, investment decisions made on behalf of KFM's clients.

Neither KFM nor its employees recommend to clients or buy or sell for client accounts, securities in which they have a material financial interest.

Insider Trading Activities

KFM is, and shall continue to be, in total compliance with the Insider Trading and Securities Fraud Enforcement Act of 1988. Specifically, we have adopted a firm-wide policy statement outlining insider trading compliance by KFM and our personnel. This statement has been distributed to all personnel of KFM and has been signed and dated by such persons. Copies of such signed originals are maintained in our personnel files.

Item 12: Brokerage Discretion

Soft Dollars

KFM does not receive formal soft dollar benefits other than execution from broker/dealers in connection with client securities transactions.

Brokerage for Client Referrals

KFM does not receive client referrals from broker/dealers.

Investment or Brokerage Discretion

Securities and Amount Bought or Sold

When granted discretionary authority by the client, KFM has the authority to buy and sell securities in whatever amounts are determined to be appropriate for the account and whether such transactions are with, or without, prior approval by the client.

Direction of Transactions and Commission Rates

Raymond James & Associates, Inc. ("RJA") will act as the custodian over managed client accounts in which KFM has discretionary and non-discretionary authority. It should be understood that KFM does not have the authority to negotiate commissions or obtain volume discounts, and best execution may not be achieved. In addition, since we do not negotiate the commissions charged by RJA, such commissions can vary from client to client.

Directed Brokerage

RJFS, a subsidiary of Raymond James may also provide general access to research and perhaps discounts on research products. Any research received is used for the benefit of all clients. KFM does not believe that such incentives impair KFM's independence.

KFM may have the opportunity to receive traditional "non-cash benefits" from Raymond James, such as customized statements; receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk servicing Raymond James advisors exclusively; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; ability to have investment advisory fees deducted directly from client accounts; access to an electronic communication network for client order entry and account information; access to mutual funds which generally require significantly high minimum initial investments or those that are otherwise only generally available to institutional investors; reporting features; receipt of industry communications; and perhaps discounts on business-related products.

Clients are cautioned to consider their options carefully when Investment Advisor Representatives ("IARs") of KFM recommend the purchase of any securities or insurance products where the IAR is also a commissioned representative – there is a potential conflict of interest. The incentive on the part of KFM and the IAR is to recommend only those products in which they will receive a commission. Consequently, the objectivity of the advice rendered could be subjective and disadvantage the client.

There are also potential conflicts of interest when KFM and its IARs suggest the need for outside consultations and coordination (i.e., attorneys, CPAs) to implement certain aspects of an estate, retirement or tax plan. Even though KFM does not share in any fees earned by the attorneys or CPA when implementing an estate, retirement or tax plan those entities to which KFM refers business do. This creates incentive on the part of KFM and the IAR to refer client business to only those entities that in turn refer potential clients to KFM. This can eliminate the possibility for the client to be referred to someone who may provide better services at lower cost.

Therefore, to ensure clients understand the full relationship of KFM to any related parties that KFM may refer business, as well as the choices and risks clients have in receiving investment and financial planning services, the following disclosures are provided:

- Clients may choose any broker/dealer to execute his/her securities transactions.
- IARs will not receive commissions associated with those accounts managed by KFM. However, there are instances where a client could request separate brokerage services that are unrelated to their managed accounts. In such cases, the IAR may receive commissions from the brokerage services associated with this separate transaction as a registered representative.
- Investments involve risk and some investment decisions will result in losses. Clients understand that KFM cannot guarantee that their investment objectives will be achieved by working with us.
- Clients are under no obligation to have any related parties that KFM recommends prepare planning documents (i.e., estate, insurance, tax, etc...). Clients are free to choose those entities to implement the recommendations made in the financial plan.
- The related parties that KFM will have perform certain aspects of the financial planning services for the client will be registered representatives of a broker/dealer and/or licensed representatives of insurance companies – they will receive the normal commissions associated with such transactions.
- If requested by the client to implement any insurance recommendations made in the financial plan, Mrs. Kirtland or Mr. Hixon will execute such transactions through those insurance companies in which they are licensed representatives. In such cases, Mrs. Kirtland or Mr. Hixon will receive the normal commissions associated with such insurance transactions.
- Since Mrs. Kirtland and Mr. Hixon only offer financial products from those insurance companies in which they are appointed, such recommendations made in the financial plan are limited to that pool of products. Therefore, it is possible that the client might be able to execute similar insurance transactions elsewhere with greater performance at lower costs.
- KFM does not receive any economic benefit from referring clients to another professional without first notifying the client of such possibilities. KFM acts completely in a fiduciary capacity – **the interests of the client are first and foremost.**

Notwithstanding such potential conflicts of interest, KFM strives to serve the best interest of the client; as well as, ensuring such disclosure is being properly made to clients in compliance with the Investment Advisor Act of 1940, Rule 275.206.

Trade Aggregation

KFM may aggregate trades for multiple accounts. Orders for the same security entered on behalf of more than one client may be aggregated (i.e., blocked or bunched) subject to the aggregation being in the best interests of all participating clients. If the order is filled at different prices during the day, the prices are averaged for the day so that all participating accounts receive the same price. If an order has not been filled completely so that there are not enough shares to allocate among all the clients equally, shares will be allocated in good faith, based on the following considerations: amount of cash in the account, existing asset allocation and industry exposure, risk profile, and type of security. If a partial execution is attained at the end of the trading day, KFM will generally allocate shares on a pro rata basis, but may fill small orders entirely before applying the pro rata allocation. All clients participating in each aggregated order shall receive the average price and subject to minimum ticket charges, pay a pro-rata portion of commissions.

KFM's allocation procedure seeks to be fair and equitable to all clients with no particular group or client(s) being favored or disfavored over any other clients.

Accounts for KFM or its employees may be included in a block trade with client accounts.

Item 13: Review of Accounts

Account Responsibility

Each account is reviewed on an ongoing basis to help ensure that the client's needs and objectives are being met. Mary D. Kirtland, President, and Brett C. Hixon, Chief Compliance Officer, review all accounts. All accounts are reviewed in the context of the client's stated investment objectives and guidelines. Material changes in the client's personal circumstances, the general economy, or tax law changes can trigger more detailed reviews. For clients whose assets are managed on a discretionary basis, portfolio decisions will be guided by their Investment Policy Statement.

Cash needs will be adjusted as necessary. In addition, clients will receive at least quarterly statements from Raymond James. Each statement will summarize the specific investments currently held the value of the client's portfolio and account transactions.

It is the client's responsibility to communicate material changes in their personal circumstances to KFM so that the appropriate adjustments can be made.

Item 14: Client Referrals and Other Compensation

Compensation – Brokerage Arrangements

KFM recommends that clients establish brokerage accounts with RJFS, a FINRA-registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts; however, it is the client's decision to custody assets with RJFS.

Other Compensation

KFM does not receive any economic benefits (other than normal compensation and benefits described in Item 12) from any firm or individual for providing investment advice.

Compensation – Client Referrals

KFM does not make or accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Item 15: Custody

Custody – Fee Debiting

Clients may authorize KFM (in the client agreement) to debit fees directly from the client's account at Raymond James. Raymond James is advised in writing of the limitation of KFM's access to the account. Raymond James sends a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of advisory fees paid directly to KFM.

Custody – Account Statements

As described above and in Item 13, clients receive at least quarterly statements from Raymond James. We strongly urge clients to compare account statements received quarterly from KFM with that of Raymond James. KFM reports may vary from Raymond James' statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16: Investment Discretion

For those accounts that KFM has established discretionary trading authority, KFM will have authority to execute securities transactions at any time without the consent or advice of the client unless otherwise negated by the client.

Additionally, KFM may accept any reasonable limitation or restriction to such authority on the account placed by the client. All limitations and restrictions placed on accounts must be presented to KFM in writing.

If KFM has not been granted discretionary authority, KFM consults with the client prior to each trade.

Item 17: Voting Client Securities

KFM does not vote proxies on behalf of clients. Clients understand and agree that the client retains the right to vote all proxies, which are solicited for securities held in the managed accounts. Any proxy solicitations received by KFM will be immediately forwarded to the client for their evaluation and decision.

If requested, KFM may provide advice to clients regarding proxy votes. If any conflict of interest exists, it will be disclosed to the client. Clients may contact Brett C. Hixon, Chief Compliance Officer, at 305.648.0006 for information about proxy voting.

Item 18: Financial Information

KFM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

KFM does not require prepayment of fees of both more than \$1,200 per client, and more than six months in advance; and therefore is not required to provide a balance sheet to clients.

Form ADV Part 2B - Brochure Supplement

DISCLOSURE BROCHURE SUPPLEMENT PART 2B

CRD#: 131138
SEC FILE # 801-63403
PREPARED IN COMPLIANCE WITH
THE INVESTMENT ADVISERS ACT OF 1940 RULE 204-3(A)



Supervisor: Mary D. Kirtland

Supervised Person: Brett C. Hixon

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Tel: 305.648.0006
Fax: 305.648.1800

www.KirtlandFinancial.com

This brochure supplement provides information about Mary D. Kirtland and Brett C. Hixon that supplements the Kirtland Financial Management brochure. You should have received a copy of that brochure. Please contact Brett C. Hixon, Chief Compliance Officer, at brett.hixon@raymondjames.com if you did not receive Kirtland Financial Management's brochure or if you have any questions about the contents of this supplement.

Additional information about Mary D. Kirtland and Brett C. Hixon is available on the SEC's website at www.adviserinfo.sec.gov. You may search this site using a unique identifying number, known as a CRD number for each Supervised Person.

BROCHURE
DATED
1
MARCH
2015

Item 2: Educational Background and Business Experience

Education & Business Qualifications

Mrs. Mary D. Kirtland is responsible for the leadership and direction of KFM as well as ensuring the investment activities are being performed to the expectations of the clients.

Mrs. Kirtland has over nineteen years of professional experience in the areas of personal finance, investments, insurance, and financial planning. Her qualifications and experience are listed below:

Mary D. Kirtland, CFP®

CRD #: 2481397

Year of Birth: 1949

Education:

- University of Georgia – BBA: Economics
- University of Miami – MA: Economics

Business:

- | | | |
|---------------------|--|---|
| • 05/1999 – Present | Kirtland Financial Management, Inc. | Position: President |
| • 05/1999 – Present | Kirtland Financial Management, Inc. | Position: Investment Adviser Representative |
| • 08/1996 – Present | Raymond James Financial Services, Inc. | Position: Branch Manager/Registered Representative |
| • 03/1993 – 06/1996 | Townsend Advisory Group, Inc. | Position: Senior Associate |

Professional Designations and Licenses:

- Certified Financial Planner™ (CFP) certification⁴
- Member Financial Planning Association
- Florida: Life and Variable Annuities Insurance License
- Exams: Series 7, 24, 51 & 63

Mr. Brett C. Hixon has been in the financial services industry since graduating from college. His qualifications and experience are listed below:

Brett C. Hixon, CFP®

CRD #: 4746520

Year of Birth: 1980

Education:

- Columbia University – BA: Economics

Business:

- | | | |
|---------------------|--|--|
| • 12/2008 – Present | Kirtland Financial Management, Inc. | Position: Chief Compliance Officer |
| • 06/2005 – Present | Kirtland Financial Management, Inc. | Position: Investment Adviser Representative |
| • 06/2005 – Present | Raymond James Financial Services, Inc. | Position: Registered Representative |
| • 09/2003 – 06/2005 | Jackson National Life Insurance | Position: Internal Wholesaler |

Professional Designations and Licenses:

- Certified Financial Planner™ (CFP) certification⁷
- Member Financial Planning Association
- Florida: Life, Health and Variable Annuities Insurance License
- Exams: Series 6, 7, 24, & 65

⁴ Certified Financial Planner Board of Standards, Inc. owns the certification marks CFP®, CERTIFIED FINANCIAL PLANNER™, and federally registered CFP (with flame logo), which it awards to individuals who successfully complete initial and ongoing certification requirements.

Professional Certifications

Mary D. Kirtland and Brett C. Hixon maintain the CFP designation, which requires the following minimum requirements:

CFP - Certified Financial Planner

Issued by: Certified Financial Planner Board of Standards, Inc.

Prerequisites/Experience Required: Candidate must meet the following requirements:

- A bachelor's degree (or higher) from an accredited college or university, and
- 3 years of full-time personal financial planning experience

Educational Requirements: Candidate must complete a CFP-board registered program, or hold one of the following:

- CPA
- ChFC
- Chartered Life Underwriter (CLU)
- CFA
- Ph.D. in business or economics
- Doctor of Business Administration
- Attorney's License

Examination Type: CFP Certification Examination

Continuing Education/Experience Requirements: 30 hours every 2 years

Item 3: Disciplinary Information

Neither KFM nor any Supervised Persons have been involved in any activities resulting in a disciplinary disclosure.

Item 4: Other Business Activities

Mr. Mary D. Kirtland and Mr. Brett C. Hixon devote approximately 10% of their time to duties other than giving investment advice.

Mrs. Kirtland and Mr. Hixon are Registered Representatives of Raymond James Financial Services, Inc. ("RJFS"), to sell listed/unlisted securities, mutual funds and variable insurance products. As Registered Representatives of RJFS, Ms. Kirtland and Mr. Hixon are subject to FINRA Conduct Rule 3040 that restricts them from conducting securities transactions away from RJFS. Therefore, clients are advised that Ms. Kirtland and Mr. Hixon are limited to conducting securities transactions through RJFS.

In addition, Mrs. Kirtland and Mr. Hixon are licensed to sell various insurance products to clients as part of a full range of financial services offered by KFM. Mrs. Kirtland and Mr. Hixon are Florida licensed Life and Variable Annuity Insurance Agents. Mr. Hixon is also licensed to sell health insurance. Even though Mrs. Kirtland and Mr. Hixon are involved in selling insurance products, such activities should not interfere with the overall investment advisory practices of KFM and present any inherent risks to the advisory client. All conflicts of interest will be fully disclosed to the client prior to executing any transactions.

Item 5: Additional Compensation

Clients are cautioned to consider their options carefully when Investment Advisor Representatives ("IARs") of KFM recommend the purchase of any securities or insurance products where the IAR is also a commissioned representative – there is a potential conflict of interest. The incentive on the part of KFM and the IAR is to recommend only those products in which they will receive a commission. Consequently, the objectivity of the advice rendered could be subjective and disadvantage the client.

There are also potential conflicts of interest when KFM and its IARs suggest the need for outside consultations and coordination (i.e., attorneys, CPAs) to implement certain aspects of an estate, retirement or tax plan. Even though KFM does not share in any fees earned by the attorneys or CPA when implementing an estate, retirement or tax plan those entities to which KFM refers business do. This creates incentive on the part of KFM and the IAR to refer client business to only those entities that in turn refer potential clients to KFM. This can eliminate the possibility for the client to be referred to someone who may provide better services at lower cost.

Item 6: Supervision

Mary D. Kirtland, President, is responsible for supervising KFM's advisory activities and managing KFM's team of supervised persons. Mrs. Kirtland supervises these persons by holding regular meetings, which may include staff, investment, compliance and other ad hoc meetings.

Brett C. Hixon reviews client reports, emails and trading, as well as personal securities transactions and holdings reports.

Both Mrs. Kirtland and Mr. Hixon may be reached at 305.648.0006.

END OF THE DISCLOSURE BROCHURE