

GEN Financial Management, Inc.
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This Brochure provides information about the qualifications and business practices of GEN Financial Management, Inc. If you have any questions about the contents of this Brochure, please contact us at 952-513-1466 or lisa@genfinancial.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

GEN Financial Management, Inc. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The information provided to you by an Adviser will allow you to determine whether to hire or retain the Adviser.

Additional information about GEN Financial Management, Inc. is available on the SEC's web site at www.adviserinfo.sec.gov.

2 – Material Changes

A summary of the material changes made to this Brochure since the last annual update of our Brochure dated March 31, 2011 are as follows:

Item 4 – Advisory Business

Assets under management have increased from \$80,000,000 to \$101,500,000, which includes \$17,500,000 in non-discretionary assets.

Item 10 – Other Financial Industry Activities and Affiliations

We no longer have a revenue sharing agreement with Pat Egan.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Lisa Hemmer, Financial Administrator, at 952-513-1466 or lisa@genfinancial.com.

Additional information about us is available via the SEC's web site, www.adviserinfo.sec.gov.

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4 – Advisory Business

GEN Financial Management, Inc. (GEN) is a fee-only investment advisory firm that was founded in 1998 by Eric C. Moleski, CFP®, the President and sole owner. Eric has over 20 years of experience in financial planning and investment management.

We provide comprehensive financial planning, asset allocation, estate planning, investment management and retirement planning services. Our advisory services are tailored to the individual needs of each client. An initial consultation includes the collection of specific financial data to serve as the foundation upon which to build a financial plan. Once the client's investment portfolio type is determined (from conservative to aggressive) an Investment Policy Statement will be prepared to describe how the client's investments will be managed. Every client has the ability to impose restrictions on investing in certain securities or types of securities.

As of December 31, 2011, we managed \$72,700,000 in client assets on a discretionary basis and \$15,000,000 in client assets on a non-discretionary basis.

5 – Fees and Compensation

Client accounts are charged a percentage of the assets under management. The specific manner in which fees are charged by us is established in your written agreement with us. Fees are billed on a quarterly basis, in advance, and deducted from your assets. Management fees will be prorated for each capital contribution and withdrawal made during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded.

<u>Investment</u>	<u>Annual Fee</u>
\$0 - \$249,999	1.7%
\$250,000 - \$499,999	1.5%
\$500,000 - \$999,999	1.3%
\$1,000,000 - \$1,999,999	1.1%
\$2,000,000 - \$3,499,999	0.9%
\$3,500,000 - \$4,999,999	0.7%
\$5,000,000 and over	0.5%

Fixed fees may be charged for written financial plans, which range from \$1,500 to \$15,000, depending on the complexity of your financial situation.

Our fees are exclusive of transaction fees and other related costs and expenses which are incurred by you. You may incur certain charges imposed by custodians, brokers, third party investment advisors and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. We do not receive any portion of these commissions, fees, and expenses charged by third parties.

Item 12 – Brokerage Practices further describes the factors that we consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

6 – Performance-Based Fees and Side-By-Side Management

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

7 – Types of Clients

We provide investment advisory services to a select group of executives, business owners, families and individuals, including high net worth individuals.

8 – Methods of Analysis, Investment Strategies and Risk of Loss

We believe that the most effective means of managing client portfolios is through the use of model portfolios that allow some flexibility for client personalization. Our Investment Committee will occasionally adjust portfolio allocations to take advantage of sectors of the investment universe that it considers to be offering superior returns. We therefore minimize the use of individual stock picking techniques.

Your portfolio will be periodically rebalanced when investments significantly deviate from the prescribed target allocations. Market fluctuations may cause your portfolio to deviate for short periods beyond the preferred upper or lower limits around the model's target allocations. Longer-term deviations may be experienced due to your individual investment preferences or portfolio requirements. We will seek to manage your portfolio as the prescribed model but cannot be held responsible for these deviations. Investments will be replaced when they no longer meet the criteria of our Investment Committee. We seek consistent, long-term performance in utilizing selected independent money managers, mutual funds, exchange traded funds, individual equities and bonds. Within each category, the Investment Committee will seek to identify the best investment manager based on its selection criteria. Some of the criteria used include long-term risk-weighted return compared to peers and the relevant benchmark, management expenses, asset turnover, manager tenure and manager style and investment constraints. When no manager meets our criteria for a category, we will opt to invest in a suitable index fund.

We consider the most prudent investment strategy to be holding investments for the long term. We do not engage in market-timing and view such tactics as introducing unnecessary risk. Nonetheless, investing in securities involves risk of loss that you should be prepared to bear.

The target allocations are managed on a portfolio level such that certain accounts may only hold a few investments. The main factors in choosing the appropriate account location for an investment are liquidity needs and tax efficiency. We will seek to be tax efficient by minimizing ordinary income in taxable accounts and harvesting capital losses. However, in making investment decisions, tax maneuvers will not override optimal portfolio allocation.

Client portfolios may include any of the following: mutual funds, exchange-traded funds, individual equities and bonds, real estate investment trusts, and money market funds. Depending on their investing focus, mutual funds and exchange-traded funds may be comprised of equities, bonds, commodities, real estate, hard assets, foreign currency and other investment instruments used by the managers of these funds to hedge risk and/or enhance investment return. The risks involved with these investments vary depending on the specific investment. Risks inherent to all investing include, but are not limited to, the following: volatility of investment value, uncertainty of future investment return, and lack of liquidity. Past performance of any investment is not a guarantee of future results, and we cannot guarantee that investment objectives will be attained.

9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. We have no information applicable to this Item.

10 – Other Financial Industry Activities and Affiliations

We may recommend the services of independent Investment Advisors. In such instances, we do not share the fees charged by the independent Investment Advisors. A “Compensation Disclosure Statement” and the Advisor’s Form ADV will be provided to you. You are under no obligation to use the services of independent Advisor(s) we recommend. Separate account managers are accessible via our relationships with Schwab Institutional and Fidelity Investments. Full disclosure will be provided at the time of solicitation pursuant to Rule 206(4)-3 of the Investment Advisors Act of 1940.

11 – Code of Ethics

We have adopted a Code of Ethics for all employees of the firm describing its high standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All employees must acknowledge the terms of the Code of Ethics annually, or as amended.

We anticipate that, in appropriate circumstances, consistent with your investment objectives, we will recommend to you the purchase or sale of securities in which our employees and/or clients, directly or indirectly, have a position of interest. Our employees and persons associated with us are required to follow our Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees may purchase or sell securities in their own accounts that we recommend to and/or purchases for you. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between us and our clients.

You may request a copy of our Code of Ethics by contacting Lisa Hemmer at lisa@genfinancial.com.

12 – Brokerage Practices

The Custodians and Brokers We Use

We do not maintain custody of your assets that we manage, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see item 15 – Custody, below). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, or Fidelity Investments Institutional Services Company (Fidelity), also a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and not affiliated with Schwab or Fidelity. Schwab or Fidelity hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab or Fidelity as custodian/broker, you will decide whether to do so and will open your account with Schwab or Fidelity by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. Even though your account is maintained at Schwab or Fidelity, we can still use other brokers to execute trades for your account as described below (see “Your Brokerage and Custody Costs”).

How We Select Brokers/Custodians

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)

- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to us and our clients
- Availability of other products and services that benefit us, as discussed below (see “Products and Services Available to Us From Schwab”)

Your Brokerage and Custody Costs

Schwab and Fidelity generally do not charge clients separately for custody services but are compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab or Fidelity account. This commitment benefits you because the overall commission rates you pay are lower than they would be otherwise. In addition to commissions, Schwab or Fidelity charges you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab or Fidelity account. These fees are in addition to the commission or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab or Fidelity execute most trades for your account. We have determined that having Schwab or Fidelity execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “How We Select Brokers/Custodians”).

Products and Services Available to Us from Schwab and/or Fidelity

Schwab Advisor Services™ (formerly called Schwab Institutional®) and Fidelity WealthCentral® serve independent investment advisory firms like us. They provide us and our clients with access to their institutional brokerage services such as trading, custody, reporting, and related services – many of which are not typically available to Schwab or Fidelity retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients’ accounts; while others help us manage and grow our business. Schwab’s support services generally are available on an unsolicited basis (we don’t have to request them) and at no charge to us as long as our clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. If our clients collectively have less than \$10 million in assets at Schwab, Schwab

may charge us quarterly service fees of \$1,200. Following is a more detailed description of Schwab and Fidelity's support services:

Services That Benefit You. Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account. Fidelity's institutional brokerage offers similar benefits.

Services That May Not Directly Benefit You. Schwab and Fidelity also make available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include both Schwab and Fidelity's investment research and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab or Fidelity. In addition to investment research, Schwab and Fidelity also make available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

Services That Generally Benefit Only Us. Schwab and Fidelity also offer other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab or Fidelity may directly provide some of these services to us. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

Our Interest in Schwab and Fidelity's Services

The availability of these services from Schwab and Fidelity benefit us because we do not have to produce or purchase them. We don't have to pay for Schwab's services so long as our clients collectively keep a total of at least \$10 million of their assets in accounts at Schwab. Beyond that, these services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The \$10 million minimum may give us an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab or Fidelity as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's and Fidelity's services (see "How We Select Brokers/Custodians") and not Schwab's or Fidelity's services that benefit only us. We have \$87,700,000 in client assets under management, and we do not believe that recommending our clients to collectively maintain at least \$10 million of those assets at Schwab in order to avoid paying Schwab quarterly service fees presents a material conflict of interest.

13 – Review of Accounts

Investment accounts are reviewed periodically, at least quarterly. Financial plans are reviewed at least annually. Accounts at independent investment advisers are reviewed when you receive their statements, usually quarterly. Eric C. Moleski, CFP®, President and/or Scott Nelson, CFA, CFP®, Financial Advisor, and/or Mitchell J. Thompson, CFP®, Financial Advisor, review all client accounts on a portfolio basis.

We provide reports to you on a quarterly basis that include portfolio investment return and the asset allocation of your holdings.

14 – Client Referrals and Other Compensation

We receive an economic benefit from Schwab and Fidelity in the form of the support products and services they make available to us and other independent investment advisors whose clients maintain their accounts at Schwab or Fidelity. These products and services, how they benefit us, and the related conflicts of interest are described above (see item 12 – Brokerage Practices). The availability to us of Schwab and Fidelity's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

We compensate for client referrals from solicitors. All solicitors' agreements comply with the Investment Advisors Act of 1940, Section 275.206(4)-3. All fees are paid by us pursuant to the written solicitor's agreement, to be retained by both the solicitor and us. All applicable federal and state laws are observed. All clients referred to us by solicitors are given full written disclosure describing the terms and fee arrangements between us and the solicitor prior to or at the time of entering into the advisory agreement with us.

15 – Custody

Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct Schwab to deduct our advisory fees directly from your account, or if you grant us authority to move your money to another person's account. Schwab maintains actual custody of your assets. You will receive account statements directly from Schwab or Fidelity at least quarterly. They will be sent to the email or postal mailing address you provided to Schwab or Fidelity. You should carefully review those statements promptly when you receive them. We also urge you to compare Schwab or Fidelity's account statements to the quarterly statements you will receive from us.

16 – Investment Discretion

We receive written discretionary authority from each client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, we observe the investment policies, limitations and restrictions set by you. We believe that the most effective means of managing your portfolio is through the use of model portfolios that allow some flexibility

for client personalization. Our Investment Committee will occasionally adjust portfolio allocations to take advantage of sectors of the investment universe that it considers to be offering superior returns. We therefore minimize the use of individual stock picking techniques. Investment guidelines and restrictions must be provided to us in writing.

17 – Voting Client Securities

As a matter of firm policy and practice, we do not have any authority to and do not vote proxies on your behalf. You retain the responsibility for receiving and voting proxies for any and all securities maintained in your portfolio. If you request that we do so, we may provide advice regarding your voting of proxies.

18 – Financial Information

Registered investment advisers are required to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to you, and have never been the subject of a bankruptcy proceeding.