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Lummis Asset Management, L.P.
Part 2A of Form ADV
Firm Brochure

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This brochure provides information about the qualifications and business practices of Lummis Asset Management, L.P. If you have any questions about the contents of this brochure, please contact us at 817-348-0577. 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.

Additional information about Lummis Asset Management, L.P. is available on the SEC's website at www.adviserinfo.sec.gov.

This brochure does not constitute an offer, solicitation or recommendation to sell or an offer to buy any securities, investment products or investment advisory services. Such an offer may only be made to eligible clients by means of delivery of account documents that contain a description of the material terms relating to such investment advisory services.

2. Material Changes

There have been no material changes to our firm information since the brochure dated March 16, 2011.

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4. Lummis Asset Management, L.P. Advisory Services

Lummis Asset Management, L.P. is organized as a limited partnership and has been in business since 1999. P. Bradley Lummis is the president of LAMCO Capital, L.L.C. which is sole general partner and 98% owner of Lummis Asset Management, L.P. Mr. Lummis also functions as the principle portfolio manager and chief compliance officer for the company. The firm provides portfolio managements services, investment advice and investment planning services.

Portfolio management services: Prior to constructing an investment portfolio, considerable time is spent with the prospective client discussing their financial situation, needs and long-term goals. From this discussion, we can get a sense of the client's tolerance for risk, their long-term portfolio return expectations, and the time required to build a portfolio. We can then come to a mutual understanding as to whether the client's investment objectives and portfolio return expectations are compatible with our investment style and philosophy. It is important that all clients share our long-term investment focus (three to five years). If a client is comfortable with our approach and decides to retain us, an investment portfolio is constructed using some combination of stocks, bonds, mutual funds, exchange-traded-funds ("ETF's") and other investment products. If the initial account balance is composed strictly of cash, depending on market conditions, it may take a period of months or even a year to construct the portfolio.

Investment advice: Providing investment advice involves the review of client portfolios constructed by the client themselves or by other firms. Actions may be recommended to the client based on our assessment of their holdings, the client's financial goals and their risk tolerance. The client might buy or sell individual securities based on our recommendations or use other financial professionals to execute the trades.

Lummis Asset Management, L.P. also provides investment advice to a financial institution that provides investment management services to third parties. Our firm is retained to review the stocks and bonds held by their clients. We make individual stock and bond buy and sell recommendations if requested by the financial institution.

Investment planning services: Investment planning involves the creation of a formal written financial plan to help clients deal with various financial issues through proper planning which might include cash flow, education, retirement, investment, insurance, tax and estate planning. The plan is constructed using financial planning software and takes into account all questions, information and advice as it impacts the financial and life situation of the client. The financial plan hopes to assist the client in achieving realistic financial goals by a specified target date. The plan will recommend how the client's investment portfolio should be constructed to best meet the client's financial goals after taking into consideration their risk tolerance. For example, for a client with a moderate tolerance for risk, the plan may recommend that the client's portfolio be comprised of 50% stocks, 30% bonds, 10% alternative investments and 10% cash. When the client agrees to

the plan's recommended investment portfolio allocation, the firm will then set about constructing and managing the portfolio. The plan may be updated to accommodate financial or life events that could affect the client's goals or the time required to meet those goals.

When a client engages Lummis Asset Management, L.P. for investment portfolio services, the client grants us the authority to make investment decisions and execute trades on their behalf. In some instances, the client may instruct us to purchase or sell a specific security. In addition, a client may place restrictions as to the types of securities or businesses in which their money is invested. For instance, a client may not want us to purchase any security of a company that manufactures and sells products detrimental to people's health, like cigarettes and alcohol.

We provide a statement of portfolio holdings and investment results quarterly or more frequently if requested by the client.

Lummis Asset Management, L.P. also produces a quarterly market update newsletter which is provided at no charge to our clients and other interested parties. The latest Market Update can be found on our website at www.lummisassetmanagement.com.

As of December 31, 2011, Lummis Asset Management, L.P. was managing \$54.5 million in discretionary client assets and no non-discretionary assets.

5. Fees and Compensation

a. For investment portfolio management services, the fee schedule is as follows:

For the portion of the portfolio invested in equities and cash:

The annual fee is: 1.00% on the first \$2,000,000
0.875% on the next \$2,000,000
0.750% on the next \$2,000,000
0.50% on the remaining balance of the equities portfolio

For the portion of the portfolio invested in fixed income securities (i.e. bonds):

The annual fee is: 0.50% on the first \$2,000,000
0.375% on the remaining balance of the fixed income portfolio

For the portion of the portfolio invested in mutual funds:

The annual fee is a flat .50%.

Fees are billed at the end of each quarter and are due when the bill is received. Most clients choose to have us directly deduct the fees from their brokerage account, but you do have the option of paying by check if you would prefer.

All Lummis Asset Management, L.P. fees are negotiable.

In addition to management fees, clients are responsible for transactions fee charged by the companies through which trades are placed. Mutual funds may also charge their own management fees in addition to those charged by Lummis Asset Management.

b. Investment planning services that are not part of portfolio management are billed at \$175 per hour. These fees are due when billed.

6. Performance Based Fees and Side-by-Side Management

Not applicable.

7. Types of Clients We Serve

The majority of our clients are high net-worth individuals and private foundations with a minimum of \$1,000,000 to invest. Other clients are individuals with less than that to invest. All of our clients tend to be conservative investors who appreciate our disciplined investment strategy aimed at preserving their capital and growing it over the long term.

In addition, we provide investment planning consultation services to a banking institution on an hourly basis.

8. Investment Philosophy, Strategies, and Associated Risks

Stocks

We use a “value” approach when constructing stock portfolios. By “value” approach, we mean we purchase stocks whose price we feel does not adequately reflect the real value of the company. When we purchase a stock, we pay a price that we hope offers us a margin of safety, that is, the long-term upside potential far exceeds the long-term downside potential. In conducting our analysis, we consider the cash earnings of the company in order to arrive at an earnings yield that we can compare to other competing investments such as bonds and cash. We may also take into consideration the value of the company’s assets and subtract its liabilities to arrive at a net asset value that we can compare to the stock price. Once we purchase a stock, we believe that over time the stock price will rise and ultimately more closely reflect the true worth of the company. At that time we will sell the stock and look for other investment opportunities.

Investor emotions often lead people to sell securities at inopportune times and at discount prices. Investors generally ignore particular types of companies at particular times. For instance, in the late 1990’s investors were infatuated with technology stocks and large multinational companies. Most investors had little interest in small and mid-sized industrial and financial companies. There was a preponderance of small and mid-sized companies that sold at ridiculously cheap prices relative to their true value. These stocks were priced too low and represented an attractive investment opportunity for long-term oriented investors.

When investing in stocks, we are happy to buy small, mid-size or large companies but we do require that they be high quality businesses. We also like to invest in companies that have one or more of the following characteristics;

- Simple to understand
- Consistently make money
- Have pricing power (that is, they can raise prices under various economic conditions)
- Earn high returns on the capital they invest in the business
- Are required to invest little of their earnings back into the business to grow it
- Owe a moderate to small amount of debt

Bonds:

Due to their conservative nature, most of our client’s own bonds to provide income and reduce the volatility of their portfolios. We prefer to purchase investment grade bonds at par value or at a discount so we can capture price appreciation as the bonds age and their remaining life shortens. We purchase corporate bonds, United States treasuries and municipal bonds depending on the risk adjusted yield. We use a laddered approach to building bond portfolios; that is, we ladder bonds by maturity so that the bonds mature at various times. We then hope to reinvest the proceeds in new bonds that pay a higher yield. The average maturity of bond portfolios is typically in the 3 to 7 year range.

We do not trade securities frequently. When we buy stocks, we are comfortable holding them for some time (three to five years). When we buy bonds, we prefer to hold them to maturity.

We live in uncertain times. Risk remains elevated in all capital markets. The price of stocks and all other investment products, including United States treasury bonds, will fluctuate. Our perception that a security is undervalued could prove to be incorrect. Complex inter-relationships among larger economic factors may also cause unexpected security price changes. Inflation can also cause the purchasing power of a currency to fall, negatively impacting all securities priced in that currency.

Investing in securities is inherently risky. Investments could lose money. Lummis Asset Management, L.P. cannot guarantee that any client will achieve their investment goals or that any client will receive a return of its investment. Past investment performance of the firm and its clients does not guarantee future results.

9. Legal and Disciplinary Events

There are no legal or disciplinary events past or pending to report.

10. Other Financial Activities and Affiliations

Lummis Asset Management, L.P. does not have any relationship with a broker-dealer, securities dealer, investment adviser, investment planner, bank, accounting firm, law firm, insurance agency, pension consultant, real estate broker or any other institution that might represent a material conflict of interest with clients.

11. Code of Ethics and Company Policies related to Client and Personal Trading

We recognize that our clients have placed their trust in us, and that we must earn and then keep their trust. Because of this we hold ourselves to the highest ethical standards and conduct our business with integrity and honesty. Our policies and procedures were developed to make sure that we comply with all securities regulations. In addition, the firm has developed a code of ethics that all employees must read and sign at the beginning of their employment at Lummis Asset Management, L.P. A copy of the code of ethics is available to clients or prospective clients upon request.

In order to maintain our high standards of service, employees attend continuing education classes on a regular basis.

The misuse of significant information that is not publically available for monetary gain or to avoid losses is strictly prohibited.

Personal trading and investment activities are subject to federal laws and regulations that require all employees to avoid any actual or potential conflict of interest or abuse of the individual's position of trust and responsibility. The Client's interests come before the Firm's, and before the interest of the Firm's employees. Employees are required to obtain clearance from the Chief Compliance Officer before making personal trades and must report their transactions and portfolio holdings to the Chief Compliance Officer on a quarterly basis. Employees must also obtain prior approval to invest in initial public offerings or unregistered securities.

The principal of Lummis Asset Management, L.P. and related persons may invest in the same securities or related securities that are purchased for, or recommended to, clients. If these securities are purchased at different times, it is possible the price of the security could rise as a result of a purchase by a principal of the firm or a related person and result in a higher cost to clients. It is also possible that the price of the security could fall as a result of a sale by the principal of the firm or related persons resulting in lower proceeds from the subsequent sale of the same security for the client. To mitigate these potential conflicts, Lummis Asset Management, L.P. aggregates purchases or sales for principals, related persons, and clients in a single transaction whenever possible.

12. Brokerage Arrangements

Lummis Asset Management, L.P. uses a broker-dealer to custody client assets. The firm also uses broker-dealers to purchase securities for client accounts. As compensation, the broker-dealers may charge commissions or mark up or mark downs on securities. One broker-dealer, through which Lummis Asset Management, L.P. executes the majority of its trades, also provides research, education and training services to the firm at no cost. A part of the research is developed by the broker-dealer. The majority of the research is developed by third parties. The broker-dealer uses client commissions to offset the cost of providing these services to Lummis Asset Management, L.P. Lummis Asset Management,

L.P. may also have an incentive to recommend a broker-dealer to custody client accounts based on our receiving research and other products and services, rather than based on our clients' interest in receiving most favorable execution of trades.

Lummis Asset Management, L.P. attempts to aggregate all Client purchases and sales in a single trade whenever possible. If an entire order cannot be executed on the same trading day, the Firm requires the use of a rotational allocation procedure with the smallest account (based on the number of shares to be allocated) receiving first priority and the largest account receiving last priority. This procedure insures that for any and all trades, all client accounts are treated in a consistent fashion.

13. Review of Accounts

All accounts are reviewed on a regular basis to ensure that they are invested according to the investment policy agreed on by the client and the advisor. This investment policy serves as the portfolio manager's investment road map.

At the very least, the investment adviser reviews each account monthly. Most accounts are reviewed weekly. All accounts are typically reviewed when a new security is considered for inclusion in portfolios.

Clients receive full portfolio reports on a quarterly basis. The quarterly reports consist of a portfolio statement, which lists all of the securities held by the account, along with their cost and current value as well as other information. Portfolio returns for the quarter, year-to-date and since inception are also reported. Asset class performance returns are reported over the same periods for each distinct asset class, such as cash, domestic equities, foreign equities and bonds. Reports sent also includes a list of portfolio transactions for the previous quarter. At the end of the fourth quarter, a realized gains and losses report for the calendar year just completed is provided to all clients.

Clients may also ask for reports on a more frequent basis or for additional reports at any time. The investment adviser is always available for consultations on the phone or in person.

14. Compensation for Client Referrals

Lummis Asset Management, L.P. has no arrangement with any outside entity for paying or receiving compensation for client referrals.

15. Custody of Client Accounts

At no time does Lummis Asset Management, L.P. accept custody of any client funds or securities. The majority of clients maintain accounts at Charles Schwab & Company, Inc. Other clients have accounts at Fidelity or with other custodians. All clients receive monthly statements from the firms that have custody of their accounts. In addition to these monthly statements, clients receive quarterly statements and other reports from Lummis Asset Management, L.P. Clients are encouraged to compare their Lummis Asset Management reports to the ones received from the account custodian.

16. Investment Discretion

Clients delegate Lummis Asset Management investment discretion over their accounts. By delegating investment discretion, the Client gives Lummis Asset Management the discretion to make all investment decisions and place trades for their accounts.

When a client decides to have Lummis Asset Management act as their investment manager, they sign an Investment Advisory Agreement which appoints us as agent and attorney-in-fact with full power and authority in connection with the account. This gives the adviser the authority to (a) to buy, sell, exchange, convert and otherwise trade in any and all stocks, bonds and other securities that the adviser may select; and (b) to establish and deal through accounts with the brokerage firms, dealers or banks as the adviser may select. The client may designate which broker or dealer will act as custodian of the client's assets and the adviser will make trades through that custodian. The custodial firm will also require that the adviser have power of attorney over the account before he can have access to it.

At the time the account is established, the client and the adviser will decide what types of securities and in what proportion the account will be invested. The client is free to place any restrictions on the types of securities in which he wishes his money to be invested. These decisions will be reflected in the Investment Policy Statement. The client can request that the policy be revised at any time. In addition, the adviser may suggest revising the Investment Policy from time to time as circumstances change.

Only after the Investment Advisory Agreement and the Investment Policy Statement are signed will Lummis Asset Management, L.P. begin managing the client's investments.

17. Proxy Votes for Client Shares

The investment adviser is responsible for making all proxy voting decisions. Such decisions will be made in such a way as to maximize shareholder value. Accordingly, the investment adviser will monitor corporate actions and gather sufficient information to make informed decisions regarding voting issues.

Although rare, conflicts of interest in particular voting issues may arise between the client's best interest and those of the investment adviser. When this happens, the adviser will give the client three options:

1. The client can cast the proxy votes;
2. The client can give consent for the investment adviser to vote the proxy;
3. The client can allow a third party hired by the investment adviser to vote the shares.

Clients can get information from us about how proxies were voted by calling or writing us. They may also request a copy of our proxy voting policies and procedures.

18. Financial Information about Lummis Asset Management

Lummis Asset Management, L.P. does not require or solicit prepayment of fees from any client. The firm has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.

19. Other Required Information

LAMCO Capital, L.L.C. is the sole general partner of Lummis Asset Management, L.P. It does not engage in any business activities outside of its investment advisory services provided by Lummis Asset Management, L.P.

Information about investment advisory personnel

Portfolio Manager and Investment Adviser:

P. Bradley Lummis, CPA, RIA
BBA Southern Methodist University
MBA University of Texas at Austin

Research Analyst:

George B. Montague, Jr.
BBA Texas A&M University
MBA Texas Christian University

Additional information about these personnel is available on the SEC's website at
www.adviserinfo.sec.gov

All personnel are located in the offices of Lummis Asset Management, L.P.:
301 Commerce, Suite 1790
Fort Worth, TX 76102
817-348-0577

Supervisory responsibilities:

P. Bradley Lummis has supervisory responsibility for the firm, including monitoring the advice that is provided to clients. He may be reached at 817-348-0577.