

Retirement Consulting Services, Inc.

16475 Dallas Parkway, Suite 615

Addison, Texas 75001

(972) 248-1500

(972) 669-7873 fax

marty@retirementconsultingservices.com

www.retirementconsultingservices.com

ADV Part 2 Brochure - September 2012

This brochure provides information about the qualifications and business practices of Retirement Consulting Services, Inc. If you have any questions about the contents of this brochure, please contact us at (972) 248-1500. 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 Retirement Consulting Services, Inc. also is available on the SEC's web site at www.Adviserinfo.sec.gov. The searchable CRD/IARD number for Retirement Consulting Services, Inc. is 114549.

Item 2. Material Changes

This brochure contains several informational additions and clarifications from the previous Form ADV Part 2A drafted in March, 2012. Hourly and fixed fee rate maximums are disclosed in the Fees and Compensation section, as well as several clarifications throughout the text regarding the payment and timing of those fees. Additionally, the conditions under which the Advisor may aggregate the purchase or sale of securities for customer accounts is discussed in the Brokerage Practices section. Finally, the fact that neither the Advisor nor any affiliated management person has ever been the subject of a bankruptcy petition and that the Advisor has no financial condition that is reasonably likely to impair its ability to meet its contractual commitments to clients are included in the Financial Information section.

Martin Katrein, remains the sole employee and Chief Compliance Officer of Retirement Consulting Services, Inc.

At the present time, Retirement Consulting Services, Inc. ("Advisor") continues to offer investment supervisory services in which the Advisor is appointed as the investment Advisor having discretionary trading authorization and also offers its services to retirement plan sponsors to help them meet their various responsibilities to plan participants.

Taking into account the clarifications described above, the Firm's services continue as presented in the earlier 2012 ADV Part 2A disclosure document. As the previous document detailed the quarterly fees and other aspects of the Advisor's services, this brochure serves in giving a more complete picture of the services offered by the Advisor.

Clients are urged to read this information carefully.

Table of Contents

Item 1. Cover page	1
Item 2. Material Changes	2
Item 3. Table of Contents	3
Item 4. Advisory Business	4
Item 5. Fees and Compensation	4
Item 6. Performance-Based Fees	5
Item 7. Types of Clients	5
Item 8. Methods of Analysis, Investment Strategies, and Risk of Loss	5
Item 9. Disciplinary Information	6
Item 10. Other Financial Industry Activities and Affiliations	6
Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	7
Item 12. Brokerage Practices	7
Item 13. Review of Accounts	8
Item 14. Client Referrals and Other Compensation	8
Item 15. Custody	8
Item 16. Investment Discretion	8
Item 17. Voting Client Securities	9
Item 18. Financial Information	9
Item 19. Requirements for State-Registered Advisors	9

Item 4. Advisory Business

Retirement Consulting Services, Inc. was formed in September, 1995 as a corporation under the laws of the State of Texas that offers investment advisory services to clients based on each client's individual needs and circumstances. Services provided include:

- Recommendations to clients regarding risk/reward characteristics.
- Selection of suitable investments.
- Ongoing monitoring of investments.
- Periodic reporting of investment performance, net of fees.

Retirement Consulting Services, Inc. also offers a service to Defined Contribution (401k) and Defined Benefit Plan Sponsors to help meet their responsibilities to:

- Review and diversify plan investment choices.
- Analyze plan expenses for reasonableness.
- Provide ongoing participant education.

As of December 31, 2011, the Advisor had assets under management of approximately \$73,745,000 with 180 clients comprising 380 separate accounts.

Item 5. Fees and Compensation

Investment Advisory fees that are payable by the client shall be based on a percentage of assets managed by the Advisor (see schedule below), an hourly rate or a flat rate. Under special circumstances, the Investment Advisor may charge a flat fee or an hourly rate for investment advisory services or portfolio analysis. The hourly rate is fixed at \$100 per hour and the flat fee will range from \$50 to \$250 per quarter. All fees are negotiable and billed in arrears at the end of the quarter. The annual fees as a percentage of assets are listed below and are payable in arrears quarterly, at the end of the quarter, based upon the average weekly balance of the portfolio. The client will have the option of paying the management fees by check or having the fees deducted from the account at the end of the quarter. All fees are negotiable.

<u>Assets Under Management</u>		<u>Annual Fee</u>
Up to	\$ 250,000	1.00 %
Up to	\$ 500,000	.75 %
Up to	\$ 1,000,000	.50 %
Over	\$ 1,000,000	.40 %

In addition, the client may have transaction costs associated with each trade in their account to cover execution and custodial expenses.

The Advisor or Client may terminate the contract without penalty within 5 business days by a written notice to the other party. On termination of any agreement, the Advisor will have no further obligation to recommend or take any action with regard to the securities, cash, or other

investments in a client's account. As quarterly fees are billed and paid in arrears, no refund policy is necessary.

To the extent mutual funds are selected to fill components of the overall investment strategy, the annual advisory fee set forth above does not include the customary operating and management fees associated with investing in mutual funds. The Advisor primarily selects "no-load" mutual funds, however these mutual funds still have operating expenses.

Services to Defined Contribution (401k) and Defined Benefit Plan Sponsors: The Advisor also offers its services to retirement plan sponsors to help them meet their various responsibilities to plan participants. Fees for these services are negotiable on a case by case basis and may include a flat, fixed rate fee paid in arrears on a quarterly basis, hourly fees for specific services charged at the time of project completion or as a percentage of assets per the schedule under item 5, billed and payable in arrears at the end of the quarter. While fees charged will vary from client to client due to the complexity of the services rendered, the maximum hourly fee that may be charged is \$250 per hour while the maximum flat fee that may be charged is \$5,000 per quarter per case. The client is billed directly for these services by the Advisor or by the Third Party Administrator (TPA) using the Advisor's contract for fees and services.

Clients may terminate this service at any time upon written notice to the Advisor and in such event; a refund of any unearned flat or fixed rate fees will be made based upon time already expended by the Advisor on behalf of the client. As all other fees to the Advisor are billed and paid in arrears after the service is rendered, a refund policy for these services is not necessary.

Item 6. Performance-Based Fees

Retirement Consulting Services, Inc. does not offer any of its services whereby it is compensated by performance-based fees.

Item 7. Types of Clients

Retirement Consulting Services, Inc. offers its services to individuals (some of whom are accredited), pension and profit sharing plans, trusts, estates, and charitable organizations, as well as to corporations and other miscellaneous business entities.

The Advisor requires a minimum portfolio size of \$50,000 for managed accounts.

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

Retirement Consulting Services, Inc. undertakes extensive due diligence on potential investments. Typical areas of research may include the use of charting, fundamental, and technical security analysis. The main sources of information used in this analysis include: financial newspapers and magazines, inspection of corporate activities, research materials prepared by others and corporate rating services, timing services, and the review of annual reports, prospectuses, and company press releases. The Advisor uses various combinations of

research methods and sources of information to fully understand any given product and its characteristics before deciding to use that product when implementing a client's account strategy.

The Advisor uses multiple product types in investing client assets: equities (including Preferred Stock, Real Estate Investment Trusts (REITs), and Master Limited Partnerships (MLPs)), corporate debt, CDs, municipal and US government securities and mutual funds, as well as option contracts on securities on occasion. Each of these products has its own unique risk and reward characteristics and can be used in varying circumstances to achieve the clients' goals for the account.

However, the Advisor will not purchase, sell or trade in commodities or Private Limited Partnerships without the express written consent of the client.

The Advisor also uses multiple investment strategies to implement the advice given to clients, depending on the situation: long term and short term purchases, active trading of a certain stock, short sales and trading on margin, and again, the occasional writing of option contracts. As with the products themselves, each of these strategies have their own risk and reward capabilities unique to that particular strategy. Coupled with the many choices of securities used to implement any given strategy, the possibilities for furthering the goals for each account are seemingly endless.

Often, more than one type of strategy with more than one type of investment vehicle are used within one client's account(s) to achieve the results desired according to that client's particular situation, goals, and risk tolerance. The Advisor attempts to build and maintain a close relationship with all clients by gathering and updating specific information to assist the Advisor in determining what is in the best interest of the client.

Both equity and debt investing are risky and the loss of all capital is possible. Clients are provided additional information on the types of investments recommended for their account(s) and are encouraged to seek additional information and to ask questions. Clients are also allowed the opportunity to place restrictions on their account(s) regarding the types of securities purchased and sold, as well as the types of investment strategies used.

Item 9. Disciplinary Information

There are currently no material legal or disciplinary events against either the Advisor or any affiliated management person.

Item 10. Other Financial Industry Activities and Affiliations

Martin Katrein, Jr. holds an insurance license with the State of Texas in the areas of Life, Accident, Health & HMO in order to provide for the insurance needs of investment advisory clients. Clients of the Advisor are under no obligation to use this service.

All individuals that give investment advice on behalf of the Advisor must have earned a college degree and/or have substantive investment-related experience. In addition, all such individuals shall have attained all required investment-related licenses and/or designations.

Item 11. Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading

Retirement Consulting Services, Inc. and its personnel strive to maintain the highest level of professional and personal ethics at all times. The Advisor has adopted a code of Ethics to ensure that securities transactions by the Advisor's employees are consistent with the Advisor's fiduciary duty to its clients and to ensure compliance with legal requirements and the standards of business conduct. A printed copy of the Advisor's Code of Ethics is available upon request.

Mr. Katrein may, from time to time, buy or sell, in his own account, securities, which are recommended to clients. When applicable, the client is informed of the personal position or contemplated transaction prior to effecting a transaction on the client's behalf. The client's transactions are always completed before Mr. Katrein enters orders for his own account. To detect any inappropriate or insider trading, Mr. Katrein reviews the order entry form on a daily basis.

Item 12. Brokerage Practices

Retirement Consulting Services, Inc. uses Fidelity Brokerage Services and its affiliate, National Financial Services, LLC to custody assets and handle all transactions for the client. They provide custodial services and are a "qualified custodian" as defined in Rule 206(4)-2 of the Investment Advisors Act of 1940.

Some of the factors the Advisor considers in selecting a broker-dealer and determining the reasonableness of brokerage fees include, but are not necessarily limited to: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk; the ability to have investment advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; the capacity to handle all required transactions and the quality and timing of orders. Directed brokerage and "soft dollar" influence will be avoided.

The Advisor considers the following factors before suggesting a particular brokerage firm to clients: the products offered, the level of service, and the ability to meet client needs. In assessing the reasonableness of their commissions, the firm compares various brokerage firm rates and advises clients of the best overall firm. The firm remains flexible in the use of other brokerage firms upon client request or where otherwise appropriate.

Clients are allowed to choose their broker-dealer preference. Clients who direct their brokerage accounts to broker-dealers of their own independent choosing however, may not receive best execution of their trades. For example, such clients usually cannot participate in block orders

with other clients and receive the lower transaction costs such trades afford, as described below.

Although transactions implemented for client accounts are generally effected independently, the Advisor may elect to purchase or sell the same securities for several clients at approximately the same time. The Advisor uses this block trading method when it is believed such action may prove advantageous to clients by achieving better execution, negotiating more favorable commission rates, or allocating orders among clients to avoid differences in prices and transaction fees or other transaction costs than what might be obtained when orders are placed independently. When aggregating client orders, securities are allocated among client accounts on a fair and equitable basis, averaged as to price and allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. If an aggregated order is unable to be filled completely, the filled portion of the transaction will be reallocated on a random basis.

Item 13. Review of Accounts

Client accounts are primarily reviewed by Mr. Martin Katrein, Jr., the President of the Advisor. All accounts are reviewed periodically to determine what, if any, action is necessary. Comprehensive reviews are on a quarterly basis.

The Advisor requires transaction confirmations and monthly reporting statements for its managed accounts delivered to each client directly from the custodian firm where the assets are actually held. Clients will also receive quarterly account statements generated by the Advisor. Clients should carefully review and compare these documents and contact the Advisor immediately if any discrepancies are found.

Item 14. Client Referrals and Other Compensation

Retirement Consulting Services, Inc. does not compensate individuals for client referrals.

Item 15. Custody

Retirement Consulting Services, Inc. does not maintain custody of client funds or securities.

Item 16. Investment Discretion

The client grants discretion to the Advisor via a Limited Power of Attorney authorization submitted to the client's custodial firm of choice, as well as by executing the Advisor's Investment Advisory Agreement.

Specifically, the client authorizes Retirement Consulting Services, Inc., as the Advisor, or an agent associated with the Advisor, to make investment decisions and to act on those decisions on behalf of the client without first contacting said client. This discretion will apply only to the choice of the securities to be bought or sold, the amount of securities bought or sold, and the

price at which securities are bought or sold. However, the Advisor will not purchase, sell or trade in commodities or Limited Partnerships without the express written consent of the Client. The Client in no way relinquishes ownership of the assets.

Item 17. Voting Client Securities

Retirement Consulting Services, Inc. does not vote proxies or consider any other corporate actions on behalf of clients. The Advisor shall have no obligation or authority to take any action or render any advice with respect to the voting of proxies solicited by or with respect to issuers of securities held by a client. Clients shall retain the authority and responsibility for, and the Advisor shall be expressly precluded from, rendering any advice or taking any action with respect to the voting of any such proxies. All Client proxies and related materials (including annual reports, information statements and other material sent to shareholders) are to be sent to the Client's address of record.

Item 18. Financial Information

The Advisor does not require or solicit prepayment of any fees. The annual fee charged on the market value of assets under management is calculated and charged to the client in arrears at the end of the quarter for services provided. Any flat fee, in lieu of an asset-based fee, is also charged at the end of the quarter after services have been provided. Any hourly fee for specific services on a project-by-project basis is charged at the time of project completion and delivery of the service.

The Advisor does not require prepayment of more than \$1200 in fees from clients six months or more in advance. Therefore, Retirement Consulting Services, Inc. is not required to include a balance sheet with this document for its most recent fiscal year. Additionally, the Advisor is not subject to any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to clients. Finally, neither the Advisor nor any affiliated management person has ever been the subject of a bankruptcy petition at any time.

Item 19. Requirements for State-Registered Advisors

Due to the recent raising of the required SEC registration threshold for investment Advisors to \$100 million with the passage of the Dodd-Frank Act in 2010, the Advisor will soon be registered with the State of Texas State Securities Board and will withdraw its SEC registration. The following information is required to be included for state-registered Investment Advisor firms:

The following information about Mr. Martin Katrein, Jr. supplements the above Retirement Consulting Services, Inc. brochure. Please contact Mr. Katrein if you did not receive the latest version of the firm's brochure or if you have any questions about the contents of this supplemental information.

Additional information about Mr. Katrein and Retirement Consulting Services, Inc. is available at the SEC's website at www.Advisorinfo.sec.gov. The searchable CRD/IARD number for Mr. Katrein is 1016546 and for Retirement Consulting Services, Inc. is 114549.

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Addison, Texas 75001-6220

972-248-1500

972-669-7873 fax

Marty@RetirementConsultingServices.com

Martin Katrein, Jr.

Owner, President, Chief Compliance Officer, sole IA Representative

Date of Birth: 6/17/1949

Educational Background:

B.S. in Finance, 1971, Northern Illinois University

M.B.A., 1975, Northern Illinois University

Business Background:

Retirement Consulting Services, Inc.

President, 09/1995 to present

Disciplinary Information - There are currently no material legal or disciplinary events against either the Advisor or any affiliated management person. Likewise, no arbitration or civil, regulatory, administrative, or bankruptcy proceedings exist.

Other Business Activities - With the exception of the activities described throughout this brochure and supplemental information, no other business activities are engaged in by either the Advisor or any affiliated management person.

Issuer Relationships - There are currently no relationships or arrangements between either the Advisor or any affiliated management person with any issuer of securities.

Additional Compensation - With the exception of the compensation described throughout this brochure and supplemental information, no other economic benefit for providing advisory services to clients is received by either the Advisor or any affiliated management person.

Performance fees - The Advisor is not compensated for any of its advisory services with performance-based fees. Clients should be aware that performance-based compensation may create an incentive for an Advisor to recommend an investment that may carry a higher degree of risk to the client.

Supervision - As the sole registered individual and Chief Compliance Officer of the firm, currently Mr. Katrein supervises his own activities.