

June 22, 2012

INFORMATION AND DISCLOSURE BROCHURE

THIS BROCHURE PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF FOWLER FINANCIAL MANAGEMENT. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT US AT 972.542.0800 OR BY EMAIL AT BILL@FFMRIA.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. FOWLER FINANCIAL MANAGEMENT IS A REGISTERED FINANCIAL ADVISER, HOWEVER, SUCH REGISTRATION DOES NOT IMPLY THAT CERTAIN LEVELS OF KNOWLEDGE OR SKILL HAVE BEEN OBTAINED OR DEMONSTRATED BY FOWLER FINANCIAL MANAGEMENT.

ADDITIONAL INFORMATION ABOUT FOWLER FINANCIAL MANAGEMENT IS ALSO AVAILABLE ON THE SEC'S WEBSITE AT WWW.ADVISERINFO.SEC.GOV.

MATERIAL CHANGES SINCE PUBLISHING THE LAST BROCHURE, DATED OCTOBER 1, 2008:
NONE

Fowler Financial Management – A Registered Investment Adviser - 2113 Augusta, McKinney, TX 75070 (972-542-0800) www.ffmpegia.com

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ADVISORY BUSINESS

Fowler Financial Management (FFM) is solely owned and operated by Billy J. Fowler, as a sole proprietorship and as a DBA, and has been in business since 2002. Investment advice and management, financial and estate planning, and financial consulting are offered by FFM. Investment strategies are established based upon client needs determined through a process that includes considering information regarding each client's history of investing, personal beliefs and attitudes toward investing, limitations regarding certain types or categories of investments, financial goals and objectives, and life style requirements.

Estate Planning services are offered as an integral part of the client relationship. Estate planning documents are prepared by law firms recommended by FFM or by law firms recommended by the client. The client is normally accompanied by an FFM representative in meetings with legal counsel during the development and execution of an estate plan, which may include documents such as wills, revocable trusts, family limited partnerships, irrevocable trusts, durable powers of attorney, health care powers of attorney, HIPPA disclosures, directives to physicians and other instruments that may be indicated for an individual client. FFM then provides maintenance services as required by the client's plan, along with periodic reviews of the estate plan with each client, using its "best efforts" to facilitate changing client needs and/or desires, and, changes in regulations and tax law. Neither FFM nor any of its principals, staff or estate planning specialists holds itself out as licensed to practice law and does not receive compensation of any type from law firms preparing estate planning documents for its clients nor does FFM charge a fee to its clients for estate planning services it provides.

Financial plans are the guide for FFM and its clients that provide a method of defining our client's financial goals for the maintenance of a desired life style including retirement, education of children and grandchildren, health care needs, survivorship needs, and special needs of family members. FFM considers the financial plan a critical component of its relationship with its clients in that the carefully prepared plan provides the mission statement for that relationship. Our focus is upon the achievement of our client's goals, although there is no guarantee a client's goals will be met. Financial plans are reviewed periodically and updated as needed.

Investment services are also offered for clients desiring only investment management and have employed other financial planning and estate planning services.

FFM currently (as of March 31, 2012) manages or advises on approximately \$50,000,000 of client assets, of which approximately 80% are managed with discretion.

FEES AND COMPENSATION

FFM is compensated for its services through a variety of negotiated fee arrangements; fees may be calculated based upon a percentage of the amount of financial assets under FFM management, a fixed fee, a fee based upon a percentage of net-worth, and/or commissions from non-variable insurance products such as term life insurance, fixed annuities, or fixed interest life insurance. All fees or commissions collected by FFM are fully disclosed to client prior to incurring such compensation. In the opinion of FFM, all "commissions" constitute a conflict in interest, as they are specifically designed to incentivize individuals to sell one product over another which may provide more or less benefit to the purchaser. In addition, there are those who may attempt to sell an unsuitable or unneeded product due to the incentive of a commission, regardless of a client's needs. FFM clients are free to acquire financial products, and financial management, from whomever they wish by terminating the client relationship as described herein. However, FFM is guided in all of its practices by the rules and concepts governing it as a "Fiduciary", which means FFM and its employees are required to make such recommendations only in the best interest of the client (see "ETHICS" in this brochure). FFM may receive value from various services provided by custodians or brokers, including research facilities, electronic trading, client account statements, offers of education, and other benefits, all or part of which may be provided at no cost to FFM.

FFM endeavors to eliminate conflicts of interest to the greatest degree possible, however, clients should always be aware that the human need to provide for himself and others naturally sets up conflicts in the business relationship that are impossible to totally eliminate. The Fiduciary standard recognizes this dilemma by using terms such as "best efforts" to describe the effort required of the Fiduciary to avoid such difficulties. Although FFM believes it and its employees are above reproach in the care of clients, clients are encouraged to stay fully informed of all FFM activities related to the management of their assets, and to question any and all such activities when not clearly understood, or when there is concern of any nature.

Client will incur expenses in addition to FFM fees in the form of transaction fees charged by the custodian, and may be charged various fees by third parties related to transfer or administrative fees for transferring securities to the custodian selected to hold assets for clients.

Expense reimbursement to FFM for services in which extraordinary expense is incurred is limited to client requested problem solving requiring significant out of pocket, pre-approved, expense.

All fee arrangements are separately negotiated with each client. Fees based upon percentages of account values or net worth are assessed quarterly in advance and debited from designated client accounts. Such assessments are based upon such values as of the closing of the last business day of each calendar quarter. All fees are paid quarterly in advance. Informational invoices are normally mailed to clients within 5 days of debiting of fees and fees are normally debited within 5 days of the closing of the quarter.

New accounts will have an initial fee assessed based upon the initial value of all assets deposited and prorated for the number of days remaining in the current quarter and normally will be debited within 5 business days of receipt of funds in accounts. Flat fees and fees based upon net worth are pro-rated for new clients in the same manner based upon an agreed initial value of assets.

In the event of termination of an account a refund of collected but not earned fees will be made based upon the number of days remaining in the current quarter. Calculation of the number of days remaining begins as of the 31st day after notification of termination. An exception is made if the account has not been under fee management for at least two full quarters; in such case there will be no refund of fees.

Fees based upon a percentage of assets in accounts range from an annualized minimum of .5% to a maximum of 1.9%. Flat fees begin at a minimum of \$5,000 per year. Fees based upon a percentage of net worth are set to produce a minimum of \$5,000 per year and both Flat and net worth based fees are negotiated based upon the evaluation of many factors, including projected complication of client needs, expertise required of FFM, and amount of service required for each client relationship. FFM has clients with fees that are less than the minimums described above for new clients and may be served for no monetary compensation.

PERFORMANCE BASED FEES

FFM does not offer "performance based fees".

TYPES OF CLIENTS

FFM offers investment management and planning services to individuals.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

FFM uses a wide variety of tools and techniques in the analysis of information gathered for the purpose of making decisions relating to its investment strategies. Research information is acquired from sources that are both free and for a fee. Research subscriptions provide economic data, investment research, technical analysis, and chart services. FFM considers all disciplines of research important in making strategic and tactical investment decisions; technical and fundamental analyses are both used as primary tools in decision making. The vast majority of such research is from third parties who have no investment vehicles for sale or other conflicts of interest related to FFM investment vehicles. All research is reviewed from a perspective that takes into consideration the investment experience of Bill Fowler, who is the FFM principal making decisions regarding investment strategies and their implementation. Multiple tools are utilized for analysis, portfolio structuring and tracking.

FFM INVESTMENT STRATEGIES INCLUDE INVESTMENT CATAGORIES THAT MAY BE VERY VOLATILE WITH RISK OF SIGNIFICANT LOSS IF LIQUIDATED WHEN A LOSS WILL RESULT. ALL STRATEGIES ARE STRUCTURED TO CONTAIN INVESTMENTS DESIGNED TO PARTIALLY OFFSET THE VERTICAL MOVEMENT IN PRICE OF OTHER INVESTMENTS WITHIN THE STRATEGY, WHICH DOES NOT ALWAYS OPERATE IN A WAY THAT OFFSETS. AT TIMES ALL INVESTMENTS WILL LOSE VALUE AT THE SAME TIME AND, IF LIQUIDATED DURING SUCH TIMES, MAY CAUSE PERMANENT LOSS OF PRINCIPAL. GOVERNMENT GUARANTEED BONDS MAY, AT SOME TIME, BE INCLUDED IN A STRATEGY, WITH THE SAME POTENTIAL FOR LOSS AS EQUITY INVESTMENTS IF HELD DURING A RISING INTEREST RATE MARKET. FFM STRIVES TO DIVERSIFY INVESTMENT STRATEGIES FOR THE PURPOSE OF MINIMIZING SUCH POTENTIAL LOSSES.

DISCIPLINARY INFORMATION

FFM has never been disciplined by any regulatory agency of any kind, and has never received a notice of any accusation of violation of any rule or regulation requiring FFM to offer a defense against such claim.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Bill Fowler is not involved in any other business activity outside of his financial management, financial planning, and consulting business known as Fowler Financial Management. He is not affiliated with any other business or firm and does not receive fees or compensation of any type from referrals he may make to such entities. Financial planning includes review and recommendations not related to investment advice or management, such as insurance, tax planning, estate planning and in other areas of a client's life. Financial planning may indicate a need for insurance products that may be recommended to clients and which may generate a commission. Insurance products that require investment management are managed by FFM under the same fee concept as other non-insurance investments. Client is not charged a fee for investment management for insurance products, such as annuities, from which FFM receives a commission, for a period of years equal to the number of percentage points FFM receives as a commission.

The following is a breakdown of estimated time spent in each business activity:

Investment Management	70%
Financial Planning (including estate planning)	25%
Consulting	5%

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

"Ethical conduct" is the term used to describe the required attitude and behavior of all persons associated with FFM, and is synonymous with the word "integrity". Ethical conduct is a condition that demands honesty in all things. An ethical person is one who acts above reproach, one who does the right thing even when no one will ever know if the right or wrong thing was done. It is doing the honest and honorable thing when it appears one would gain benefit by being dishonest. It is doing the right thing when it may hurt to do so.

As a Registered Financial Adviser under the Investment Advisers Act of 1940 my standard of conduct, related to moral responsibility in client relationships, is as a Fiduciary; one who acts in accordance with the characteristics described in the above paragraph. A component of the broad definition of this responsibility is to place each client's needs and well being above that of my own. This is the standard to which I strive to meet and maintain, and, require of FFM staff.

FFM and its employees may invest in the same securities used within client portfolios. When such investments are made, they are included in block transactions that insure there is no timing advantage created for any client or FFM person, as all investments will be recorded at the same price, whether as a purchase or as a sale.

BROKERERAGE PRACTICES

All client funds are held in third party custodial accounts, such T.D. Ameritrade, for example. Our clients are under no obligation to execute transactions through any particular brokerage firm, affiliate or associated person. However, we recommend clients open accounts to be managed by FFM with a specific custodian in order to take advantage of the benefits offered through efficiency in trading at one custodian, and reduction in number of statements. The custodian recommended by FFM is a national firm which has been selected after comparison of services, including transaction fees, efficiency and timeliness of trade execution, services provided to clients, trading platform and other functionalities required by FFM for the orderly conduct of client business, quality of statements and confirmations of trades, and ease of use of on-line account viewing by clients. The client account from which fees will be paid to FFM will be with the recommended custodian. FFM, through its frequent use of, and contact with, the custodian, is in virtual constant review to confirm that the recommended custodian remains a reasonable choice for recommendation to its clients. FFM receives no compensation from the custodian other than value that may be received through educational seminars, research facilities, software that facilitates trading, account monitoring and other account management service. No fee is charged either FFM or its clients by the custodian for the use of such software. Bonds are normally purchased and sold through independent brokerage firms, which allows FFM to acquire advantageous pricing. FFM selects such firms based upon consistency in bond pricing, honesty in providing information, quality of service, and availability of research. The current custodian currently charges \$25 per client transaction for handling bonds purchased from a third party dealer.

Due to FFM policy regarding the buying and selling of securities for client portfolios, the large majority of trades are for securities being purchased or sold for all client investment accounts. FFM makes such trades using "block" trading, which insures all clients transactions are at the same price, regardless of the fluctuation of prices of trades during the aggregation process. When the block order is filled by the electronic trading facility, all trades are aggregated and an average price per share is determined, which is the price of each transaction then allocated to all client accounts. Any trades for FFM associated accounts are included in such aggregation. The use of this method of assuring same price

allocation to all clients also makes it possible that any one client may have been able to execute the trade for their own account at a lower or higher price than the average.

All custodians known by FFM, which may be selected to custody client funds and securities, offer free services for the use of the client account holder and the financial advisor, and compete for business through the use of such facilities. Neither the client nor FFM are charged direct fees for such facilities and custodians/brokers rely on client transaction and other fees to justify the cost of providing the facilities. It can be considered that, since FFM (as well as the client) is offered such services free of charge by the custodian or broker, there could be a conflict in interest in the event a substantial benefit was provided FFM by one custodian vs. another for services FFM uses to serve its clients. As of the date of this Brochure, FFM has never been offered an incentive by one custodian/broker over another in the solicitation of FFM's transaction business that is generated by the management of client assets. However, it is possible such offer may be proffered at some time in the future, and if such proffer occurs, it is the policy of FFM to never make a decision to use a custodian/broker based upon potential receipt of benefits from such custodian/broker, unless the benefits considered will provide equal or greater benefits to FFM clients. FFM's Code of Ethics directs it to avoid conflicts of interest in any situation where conflict is discernible and material. However, it is possible that FFM's principal owner, Billy Fowler, could be corrupted by the offer of some benefit by a custodian or brokerage firm, which then would turn from a potential conflict in interest into an actual one.

An example of a potential benefit to FFM that could be proffered by a custodian soliciting FFM to move its client's accounts to their facility: The computer program used as the "trading and accounting platform" is touted to be more efficient and more user friendly for both financial advisor and client. The increased efficiency might provide FFM the ability to execute trades and then allocate those trades to accounts much faster than can the current custodian. In addition, the proffering custodian may demonstrate that clients will have a much easier platform to use for viewing their accounts on line, and will provide faster updates to their view after transactions occur. They may also suggest that the quality of the research provided free of charge to FFM and to the client is superior to the research currently provided, also for no fee. They may suggest that they conduct periodic seminars for the advisors using their services, and that those seminars offer better quality education and other personal perks, such as being held in exotic resort locations. No custodian is allowed by law to pay for travel, hotel accommodations, or other material perks for independent advisors such as FFM, however.

In addition, FFM strongly suggests its clients agree to the use of the custodian selected by FFM and requires that the account from which fees are drawn be maintained with such custodian. As of the date of this brochure, no FFM client has FFM managed assets within brokerage accounts at another custodian, although such accounts would not be prohibited by FFM. It is highly probable that a custodian among all custodians may charge transaction fees that are less than the current custodian charges, in which case the client would certainly be paying more for such services than he would have to pay by retaining the services of FFM and using the custodian desired by FFM. The current custodian recommended by FFM charges \$9.95 per transaction for equity trades.

REVIEW OF ACCOUNTS

Every managed account is reviewed and analyzed at least quarterly for compliance with client objectives and portfolio performance. All accounts are reviewed by Bill Fowler. Accounts are also reviewed any time there is a significant event or change in market conditions or upon request of a client. Confirmations of all trades within client accounts will be mailed to clients by the account custodian. Monthly statements showing all activity within the account and account values will be mailed to client by the custodian.

CLIENT REFERRALS AND OTHER COMPENSATION

FFM has no client referral or other compensation relationships. It receives no benefits from such relationships since it has no such relationships.

CUSTODY

FFM does not provide custody services for client assets.

INVESTMENT DISCRETIONARY POWERS (LIMITED POWER OF ATTORNEY)

FFM manages all investment accounts listed on Schedule A of the Client Agreement with full discretion under a Limited Power of Attorney given by client within the Client Agreement, except when the type of investment or account prohibits such discretion. Full discretion means that FFM makes investment purchases and sales within client accounts without being required to receive permission from client for such trades. All client portfolios are managed under an "Investment Policy Letter" setting out general parameters within which FFM will manage the portfolio. Such policy letter may contain

certain client required limitations regarding types, or categories, of investments not to be used within the portfolio. Trading within client accounts does not generate commissions or additional fees to FFM, however, may generate transaction fees by a custodian or brokerage fees/commissions to third party trading companies. FFM does not share in any fees or commissions paid to such third parties.

VOTING CLIENT SECURITIES (PROXIES)

FFM does not execute voting proxies for its clients.

FINANCIAL INFORMATION

Billy Fowler's financial condition is "solvent". His net worth is positive, although **not substantial**. Clients are welcome to inquire into the financial condition of Bill and FFM at any time.

PRINCIPAL OFFICER AND INVESTMENT MANAGER OF FFM

The principal officer and only registered person of FFM is Billy J. Fowler. Bill Fowler has been an asset and financial manager since 1978 and owner and sole proprietor of Fowler Financial Management since May, 1992. From 1978 through 1988 Fowler was a principal owner of companies focused on the real estate industry including the ownership of two Broker Dealer firms. He has been licensed to sell securities and been a licensed principal for over 25 years. Bill attended Texas Tech University and has completed many courses of instruction in the field of finance, business law, estate administration and planning, financial planning and tax planning. He is actively involved in continuing education in all of the disciplines relating to his responsibilities in service to his clients. Bill has been awarded Series 6, 7, 22, 24, 39, 63 and 66 securities licenses, although he is no longer registered with a broker/dealer. He was born in October of 1941 in Dalhart, Texas and was raised in the Texas Panhandle. Bill served in the US Army as a helicopter pilot in the early sixties and served in Vietnam. He then spent fourteen years as an airline pilot before resigning to focus on his business and family. Bill is active in his local church and community affairs.

Bill has lectured on financial planning and investment management as an adjunct instructor in the community college system in addition to conducting over 400 educational seminars to the public including continuing education courses for CPAs and Attorneys.