

WRAP FEE PROGRAM BROCHURE

FORM ADV PART 2A

RL Brown Financial

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This wrap fee program Brochure provides information about the qualifications and business practices of Brown, Richard, Lamar d/b/a RL Brown Financial. If you have any questions about the contents of this Brochure, please contact us at 972-783-7523. 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 RL Brown Financial also is available on the SEC's website at www.adviserinfo.sec.gov.

Table of Contents

| | |
|---|----------|
| Services, Fees and Compensation | 1 |
| Account Requirements and Types of Clients | 3 |
| Portfolio Manager Selection and Evaluation | 4 |
| Client Information Provided to Portfolio Managers..... | 5 |
| Client Contact with Portfolio Managers | 5 |
| Additional Information | 5 |

Services, Fees and Compensation

Description of Services and Fees

Brown, Richard, Lamar d/b/a RL Brown Financial (hereinafter "RLB") is a registered investment adviser based in Richardson, Texas. RLB is organized as a sole proprietorship and has been providing investment advisory services since 2003.

RLB provides limited discretionary portfolio management services for a single fee that includes RLB's investment advisory fee and custodial transaction fees under the RL Brown Wrap Fee Program.

RLB's investment advice is tailored to meet clients' needs and investment objectives. If you retain RLB for portfolio management services, RLB will meet with you to determine your investment objectives, risk tolerance, and other relevant information (the "suitability information") at the beginning of our advisory relationship. RLB will use the suitability information RLB gathered from our initial meeting to develop a strategy that enables RLB to give you continuous and focused investment advice. Once RLB constructs an investment portfolio for you, RLB will monitor your portfolio's performance on an ongoing basis, and will rebalance the portfolio as required by changes in market conditions and in your financial circumstances.

You are required to grant RLB limited discretionary authority to manage your account. Discretionary authorization will allow RLB to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign, a power of attorney, or trading authorization forms. You may limit RLB's discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing RLB with your restrictions and guidelines in writing.

RLB's fee for portfolio management services is based on a percentage of your assets RLB manages and is set forth in the following fee schedule:

| Assets Under Management | Annual Fee |
|--------------------------------|-------------------|
| Under \$500,000 | 1.25% |
| \$500,000 to \$999,999 | 1.00% |
| \$1,000,000 to \$2,499,999 | 0.80% |
| \$2,500,000 to \$3,999,999 | 0.60% |
| \$4,000,000 and over | 0.50% |

RLB's annual portfolio management fee is billed and payable quarterly in advance based on the value of your account on the last trading day of the previous quarter. Additional deposits and withdrawals will be added or subtracted from the value of your account, which may lead to an adjustment of the fee.

If the client agreement is executed at any time other than the first day of a calendar quarter, RLB's fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. RLB's advisory fee is negotiable depending on individual client circumstances.

At our discretion, RLB may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, RLB may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in the fee schedule stated above. In addition, if RLB receives commissions (excluding trails) from the sale of securities, mutual funds, annuities or other financial products, RLB will not charge you an advisory fee on the value of those assets, however in RLB's sole discretion, the value of those assets may be included in determining the advisory fee charged to you so as to allow you the benefit of possibly receiving a lower advisory fee.

RLB will deduct our advisory fee directly from your account through the qualified custodian holding your funds and securities. RLB will deduct our advisory fee only when you have given RLB written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

You may terminate the client agreement upon notice to RLB. You will incur a pro rata charge for services rendered prior to the termination of the agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that RLB has not yet earned, you will receive a prorated refund of those fees.

Types of Investments

RLB primarily offers advice on mutual funds and on occasion, exchange traded funds, equity securities, corporate debt securities, municipal securities, and US Government securities commercial paper, certificates of deposit, real estate investment trusts, and real estate and oil and gas limited partnerships.

Additionally, RLB may advise you on other types of investments that RLB deem appropriate based on your stated goals and objectives. RLB may also provide advice on other types of investments held in your portfolio at the inception of our advisory relationship.

You may request that RLB refrain from investing in particular securities or certain types of securities. You must provide these restrictions to RLB in writing.

Assets Under Management

As of December 31, 2010, RLB manages \$38,401,546 in client assets on a discretionary basis. RLB does not manage assets on a non-discretionary basis.

Additional Fees and Expenses

As part of our investment advisory services to you, RLB may invest, or recommend that you invest in mutual funds and exchange traded funds. The fees that you pay to RLB for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. To fully

understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, RLB, and others. For information on our brokerage practices, please refer to the "Brokerage Practices" section of this Brochure.

In addition to the aforementioned, there may be other costs assessed, which are not included in the Program Fee, such as national securities exchange fees, costs associated with exchanging currencies; wire transfer fees; or other fees required by law.

Wrap Fee Program Disclosures

- Participating in a Wrap Fee Program may cost more or less than if you paid separately for investment advice, brokerage or other services. The factors which bear on the relative cost of the Program include the trading activity in your account and the size of your account.
- RLB receives compensation as a result of your participation in the Program. The amount of this compensation may be more than what RLB would receive if you paid separately for investment advice and brokerage and therefore RLB may have a financial incentive to offer/recommend the Program over other services.

Compensation for the Sale of Securities or Other Investment Products

Persons providing investment advice on behalf of RLB are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of RLB who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with RLB.

Any material conflicts of interest between you and RLB, or our employees are disclosed in this Brochure. If at any time, additional material conflicts of interest develop, RLB will provide you with written notification of the material conflicts of interest or an updated Brochure.

Account Requirements and Types of Clients

In general, RLB requires a minimum of \$100,000 to open and maintain an advisory account. At our discretion, RLB may waive this minimum account size. For example, RLB may waive the minimum if you appear to have significant potential for increasing your assets under our management. RLB may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

RLB offers investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

Portfolio Manager Selection and Evaluation

RLB is both the sponsor and portfolio manager of the wrap fee program. Our fee for acting as portfolio manager of the wrap fee program is stated above and RLB will not charge you additional fees for participating in the program. RLB absorbs client transaction fees under the wrap fee program and therefore, there is a potential conflict of interest in that this arrangement may provide a disincentive for us to purchase and sell securities in your account.

Our Methods of Analysis and Investment Strategies

RLB may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

- Fundamental Analysis – involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.
- Asset Allocation - methodology as a core method of analysis
- Long Term Purchases – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- Short Term Purchases – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short term price fluctuations.

RLB also uses a proprietary asset allocation methodology as a core method of analysis.

Although not a fundamental part of our investment strategy, we may on rare occasion use margin and/or short-term trading (in general, selling securities within 30 days of purchasing the same securities) as investment strategies when managing your account(s) if it is deemed appropriate based on your individualized needs, or on your specific request.

In a margin transaction, you borrow money to purchase a security, in which case the security serves as collateral on the loan. Margin accounts present special risks because you can lose more money than you deposit in your account, the custodian can force the sale of securities in your account and can sell securities without contacting you.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, RLB determines investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. RLB does not represent or guarantee that our services or methods of analysis can or will predict future results,

successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. RLB cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Proxy Voting

RLB will not vote proxies on behalf of your advisory accounts. At your request, RLB may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event RLB were to receive any written or electronic proxy materials, RLB would forward them directly to you by mail unless you have authorized RLB to contact you by electronic mail, in which case, RLB would forward any electronic solicitation to vote proxies.

Client Information Provided to Portfolio Managers

This section does not apply because RLB is both the sponsor and portfolio manager to the Wrap Fee Program.

Client Contact with Portfolio Managers

This section does not apply because RLB is both the sponsor and the portfolio manager to the Wrap Fee Program.

Additional Information

Disciplinary Information

Neither RLB nor our principal owners have any reportable legal or disciplinary events, material or otherwise.

Other Financial Industry Activities and Affiliations

Richard L. Brown, as a registered representative, offers securities through LPL Financial Corporation ("LPL"), a registered general securities broker-dealer and investment adviser licensed under federal and state securities laws. LPL is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA") and the Securities Investors Protection Corporation ("SIPC"). In his capacity as a registered representative of LPL, Mr. Brown is involved in the sale of securities of various types, including, but not limited to, stocks, bonds, and mutual funds. In addition, Mr. Brown sells insurance products, including, but not limited to, life, health, disability and long term care products.

You are advised that you are free to use any broker-dealer and/or insurance agent of your

choosing. There is no obligation to effect transactions through RLB or LPL.

Mr. Brown has authored a religious themed publication(s) which may be sold, for a fee, to clients.

Mr. Brown also acts as a licensed CPA offering accounting related services to individuals and business entities through Richard L. Brown, CPA, P.C. If you require accounting services, RLB may recommend that you use Richard L. Brown, CPA, P.C. Accounting fees are separate and apart from RLB's advisory fees.

Description of Our Code of Ethics

RLB strives to comply with applicable laws and regulations governing our practices. Therefore, RLB's Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. RLB's goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of RLB's Associated Persons are expected to adhere strictly to these guidelines. RLB's Code of Ethics also requires that certain persons associated with RLB submit reports of their personal account holdings and transactions to a qualified representative of RLB who will review these reports on a periodic basis. Persons associated with RLB are also required to report any violations of our Code of Ethics. Additionally, RLB maintains and enforces written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with RLB.

RLB's Code of Ethics is available to you upon request. You may obtain a copy of our Code of Ethics by contacting Richard Brown at 972-783-7523 or via e-mail at richardl.brown@lpl.com.

Personal Trading Practices

RLB or persons associated with RLB may buy or sell securities for you at the same time RLB or persons associated with RLB buy or sell such securities for our own account.

A conflict of interest exists in such cases because RLB has the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that RLB shall not have priority over your account in the purchase or sale of securities.

Reviews of Accounts

Richard Brown or another qualified individual will monitor your accounts on an ongoing basis and conduct quarterly reviews to ensure that the portfolio mix is consistent with your current/stated investment needs and objectives.

Additional reviews may be conducted based on various circumstances, including, but not limited to the complexity of your portfolio, its performance, as well as changes in the economy, market conditions, tax laws, or your needs. The occurrence of a major life event (e.g. death, disability, inheritance, employment status change, marital status change, retirement, etc.) may also be a triggering event that causes RLB to review your account.

RLB will provide you with a quarterly written report containing asset values, transactions, and performance data. In addition, you will receive trade confirmations and monthly or quarterly

statements from your account custodian(s).

Client Referrals and Other Compensation

As disclosed under the “Fees and Compensation” section in this Brochure, persons providing investment advice on behalf of RLB are licensed insurance agents and are registered representatives with LPL Financial Corporation (“LPL”), a securities broker-dealer, and a member FINRA/SIPC. For information on the conflicts of interest this presents, and how RLB address these conflicts, please refer to the “Fees and Compensation” section.

RLB will provide client appreciation functions, for example, golf tournaments and/or dining engagements, among others. RLB will be reimbursed for some or all expenses associated with holding these events by various fund companies, representatives of which may also participate in the event.

Brokerage Practices

RLB will recommend that Clients in need of brokerage and custodial services utilize LPL Financial Corporation (“LPL”).

Associated persons of RLB, who are registered representatives of LPL are subject to FINRA Conduct Rule 3040, which may restrict such registered individuals from conducting securities transactions away from LPL, unless LPL provides the representative with written authorization. Therefore, you are advised that such persons may be limited to conducting securities transactions through LPL.

RLB will receive, at no cost, additional products and services from LPL, including, but not limited to, research, software, brokerage, custodial, administrative support, record keeping and related services.

RLB believes that LPL provides quality execution services for you at competitive prices. Price is not the sole factor RLB considers in evaluating best execution. RLB also considers the quality of the brokerage services provided by LPL, including the value of research provided, the firm's reputation, execution capabilities, and responsiveness to our clients and RLB.

Brokerage For Client Referrals

RLB does not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Block Trades

RLB does not combine multiple orders for shares of the same securities purchased for advisory accounts RLB manages (the practice of combining multiple orders for shares of the same securities is commonly referred to as “block trading”). Accordingly, you may pay different prices for the same securities transactions than other clients pay and RLB may not be able to buy and sell the same quantities of securities for you than other clients.

Financial Information

RLB is not required to provide financial information to our clients because RLB does not:

- require the prepayment of more than \$1,200 in fees and six or more months in advance; or
- take custody of client funds and/or securities; or
- have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.