

Muchen Lee Financial, Inc.

Form ADV Part 2A – Disclosure Brochure

Effective: April 6, 2011

This Disclosure Brochure provides information about the qualifications and business practices of Muchen Lee Financial, Inc. ("MLF"). If you have any questions about the contents of this Disclosure Brochure, please contact us at (814) 234-1225 or by email at muchenleefinancial@gmail.com.

MLF is a Registered Investment Advisor with the Commonwealth of Pennsylvania. The information in this Disclosure Brochure has not been approved or verified by the U.S. Securities and Exchange Commission ("SEC") or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about MLF to assist you in determining whether to retain the Advisor.

Additional information about MLF and its advisory persons are available on the SEC's website at www.adviserinfo.sec.gov.

**Muchen Lee Financial, Inc.
CRD No: 128849
301 South Allen Street., Suite 104
State College, PA 16801
Phone: (814) 234-1225 * Fax: (814) 234-1236**

Item 2 – Material Changes

On July 28, 2010, the U.S. Securities and Exchange Commission voted unanimously to adopt amendments to Part 2 of Form ADV and related rules under the Investment Advisers Act of 1940 (the “Advisers Act”). The amendments are designed to require a Registered Investment Advisor to provide Clients with a clearly written and meaningful disclosure, in plain English, about the advisor’s business practices, conflicts of interest and advisory personnel. The new Form ADV 2 is divided into two parts: *Part 2A* and *Part 2B*.

Part 2A (the “Disclosure Brochure”) provides information about a variety of topics relating to an Advisor’s business practices and conflicts of interest. *Part 2B* (the “Brochure Supplement”) provides information about advisory personnel of MLF.

MLF believes that communication and transparency are the foundation of our relationship and continually strive to provide our Clients with the complete and accurate information at all times. We encourage all current and prospective Clients to read this Disclosure Brochure and discuss any questions you may have with us. And of course, we always welcome your feedback.

Initial Filing

MLF is a new Registered Investment Advisor. This is the initial filing of the Disclosure Brochure.

Future Changes

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of MLF.

At any time, you may view the current Disclosure Brochure on-line at the SEC’s Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov.

To review the firm information for MLF:

- Click **Investment Advisor Search** in the left navigation menu.
- Select the option for **Investment Advisor Firm** and enter **128849** (our firm’s CRD number) in the field labeled “Firm IARD/CRD Number”.
- This will provide access to Form ADV Part 1 and Part 2.
- Item 11 of the ADV Part 1 lists legal and disciplinary questions regarding the Advisor.
- In the left navigation menu, Form ADV Part 2 is located near the bottom.

You may also request a copy of this Disclosure Brochure at any time, by contacting us at (814) 234-1225 or by email at muchenleefinancial@gmail.com.

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Item 4 – Advisory Services

A. Firm Information

Muchen Lee Financial, Inc. (“MLF” or the “Advisor”) is a Registered Investment Advisor with the Commonwealth of Pennsylvania, which is organized as a corporation under the laws of Pennsylvania. MLF was registered investment advisor in April 2011. MLF is owned and operated by President, Muchen Lee. This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by MLF.

B. Advisory Services Offered

MLF offers investment advisory services to individuals and businesses in Pennsylvania and other states (each referred to as a “Client”). MLF will review the requirements and register, if required, in a state prior to conducting business.

Account Portfolio Management

MLF provides customized investment advisory solutions for its Clients. This is achieved through continuous personal Client contact and interaction while providing discretionary investment management and consulting services. MLF works with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create a portfolio allocation. MLF will then construct a portfolio, consisting of primarily of individual equity securities and mutual funds. MLF will also use exchange-traded funds (“ETFs”) to gain exposure to certain asset classes. The Advisor may also utilize individual fixed income securities and other types of securities as necessary to meet the needs of its Clients.

MLF’s investment strategy is primarily long-term focused, but the Advisor may buy, sell or re-allocate positions that have been held less than one year to meet the objectives of the Client or due to market conditions. MLF will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to the acceptance by the Advisor.

MLF evaluates and selects ETFs and mutual funds for inclusion in Client portfolios only after applying their internal due diligence process. MLF may recommend, on occasion, redistributing investment allocations to diversify the portfolio. MLF may recommend specific positions to increase sector or asset class weightings. The Advisor may recommend employing cash positions as a possible hedge against market movement, which may adversely affect the portfolio. MLF may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client’s risk tolerance.

Prior to rendering investment advisory services, MLF will ascertain, in conjunction with the Client, the Client’s financial situation, risk tolerance, and investment objective[s].

MLF will provide investment advisory services and portfolio management services and will not provide securities custodial or other administrative services. At no time will MLF accept or maintain custody of a Client’s funds or securities. All Client assets will be managed within their designated brokerage account or pension account, pursuant to the Client Investment Advisory Agreement.

Financial Planning and Consulting Services

MLF will typically provide a variety of financial planning services to individuals and families, pursuant to a written Financial Planning or Consulting Agreement. Services are offered in several areas of a Client’s financial situation, depending on their goals, objectives and financial situation.

Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation for clients based on the Client’s financial goals and objectives. This planning or consulting may encompass one or more areas of need, including, but not limited to investment planning, retirement planning, personal savings, education savings and other areas of a Client’s financial situation.

Financial Planning and Consulting Services - continued

A financial plan developed for or financial consultation rendered to the Client will usually include general recommendations for a course of activity or specific actions to be taken by the Client. For example, recommendations may be made that the Client start or revise their investment programs, commence or alter retirement savings, establish education savings and/or charitable giving programs. MLF may also refer Clients to an accountant, attorney or other specialist, as appropriate for their unique situation. For certain financial planning engagements, the Advisor will provide a written summary of Client's financial situation, observations, and recommendations. For consulting or ad-hoc engagements, the Advisor may not provide a written summary. Plans or consultations are typically completed within six months of contract date, assuming all information and documents requested are provided promptly.

Financial planning and consulting recommendations may pose a potential conflict between the interests of the Advisor and the interests of the Client. Clients are not obligated to implement any recommendations made by the Advisor or maintain an ongoing relationship with the Advisor. If the Client elects to act on any of the recommendations made by the Advisor, the Client is under no obligation to effect the transaction through the Advisor.

C. Client Account Management

Prior to engaging MLF to provide investment advisory services, each Client is required to enter into an Investment Advisory Agreement with the Advisor that defines the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Policy Statement – MLF, in connection with the Client, may develop a statement that summarizes the Client's investment goals and objectives along with the broad strategy[ies] to be employed to meet the objectives. An Investment Policy Statement generally includes specific information on the Client's stated goals, time horizon for achieving the goals, investment strategies, Client risk tolerance and any restrictions imposed by the Client.
- Asset Allocation – MLF will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance for risk for each Client.
- Portfolio Construction – MLF will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – MLF will provide investment management and ongoing oversight of the Client's portfolio and overall account.

D. Wrap Fee Programs

MLF does not manage or place Client assets into a wrap fee program. Investment management services are provided directly by MLF.

E. Assets Under Management

MLF is a newly established advisor. Assets under management shall be reported following the Advisor's December 31, 2011 fiscal year end. Clients may request more current information at any time by contacting the Advisor. Clients may request more current information at any time by contacting the Advisor.

Item 5 – Fees and Compensation

The following paragraphs detail the fee structure and compensation methodology for investment management. Each Client shall sign an Investment Advisory Agreement that details the responsibilities of MLF and the Client.

A. Fees for Advisory Services

Account Portfolio Management

Investment Advisory Fees are paid monthly at the end of each month pursuant to the terms of the Investment Advisory Agreement. Investment Advisory Fees are based on the **average daily** market value of assets under management at the end of each calendar month.

Account Portfolio Management - continued

Investment Advisory Fees are charged at an annual rate of up to 1.50% depending on the size and complexity of the Client relationship. Relationships with multiple objectives, specific reporting requirements, portfolio restrictions and other complexities may be charged a higher fee.

Investment Advisory Fees in the first month of service are prorated to the inception date of the account to the end of the first month. Fees may be negotiable at the discretion of the Advisor. The Client's fees will take into consideration the aggregate assets under management with Advisor. All securities held in accounts managed by MLF will be independently valued by the designated Custodian. MLF will not have the authority or responsibility to value portfolio securities.

Financial Planning and Consulting Services

MLF offers financial planning or consulting services on an hourly basis at a rate of \$150 per hour or on a fixed fee basis ranging from \$1,000 to \$3,000 for the engagement. These fees may be negotiable depending on the nature and complexity of each Client's circumstances. An estimate for total hours will be determined prior to establishing the advisory relationship. These fees are only charged for additional consultation services beyond our asset management services.

The Advisor's fee is exclusive of, and in addition to brokerage fees, transaction fees, and other related costs and expenses, which may be incurred by the Client. However, the Advisor shall not receive any portion of these commissions, fees, and costs. The hourly fees are determined after considering many factors, such as the level and scope of the services.

B. Fee Billing

Account Portfolio Management

Investment Advisory Fees will be automatically deducted from the Client Account by the Custodian. The Advisor shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client Account at the respective month end date. The amount due is calculated by applying the monthly rate (annual rate divided by 12) to the total assets under management with MLF at the end of each month. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the Investment Advisory Fee. In addition, the Advisor will provide the Client a report itemizing the fee, including the calculation period covered by the fee, the account value and the methodology used to calculate the fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting MLF to be paid directly from their accounts held by the Custodian as part of the Investment Advisory Agreement and separate account forms provided by the Custodian.

Financial Planning and Consulting Services

As noted above, financial planning and consulting fee are invoiced by the Advisor and are due upon receipt.

C. Other Fees and Expenses

Clients may incur certain fees or charges imposed by third-parties, other than MLF, in connection with investment made on behalf of the Client's account[s]. The Client is responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer. The Investment Advisory Fee charged by MLF is separate and distinct from these custodian and execution fees.

In addition, all fees paid to MLF for investment advisory services are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client could invest in these products directly, without the services of MLF, but would not receive the services provided by MLF which are designed, among other things, to assist the Client in determining which products or services are most appropriate to each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by MLF to fully understand the total fees to be paid.

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D. Advance Payment of Fees and Termination

Account Portfolio Management

MLF is compensated for its services at the end of the month in which investment advisory services are rendered. Clients may request to terminate their Investment Advisory Agreement with MLF, in whole or in part, by providing advance written notice. The Client shall be responsible for Investment Advisory Fees up to and including the effective date of termination. The Client's Investment Advisory Agreement with the Advisor is non-transferable without Client's written approval.

Financial Planning and Consulting Services

In the event that a Client should wish to cancel the financial planning agreement under which any plan is being created, the Client shall be billed for actual hours logged on the planning project times the agreed upon hourly rate. Either party may terminate a planning or consulting agreement at anytime by providing written notice to the other party within five (5) days of signing the Advisor's financial planning or consulting agreement. The Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. Refunds will be given on a pro-rata basis.

E. Compensation for Sales of Securities

MLF does not buy or sell securities and does not receive any compensation for securities transactions in any Client account, other than the Investment Advisory Fees noted above.

Item 6 – Performance-Based Fees

MLF does not charge performance-based fees for its investment advisory services. The fees charged by MLF are as described in Item 5 – Fees and Compensation above and are not based upon the capital appreciation of the funds or securities held by any Client.

MLF does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

Item 7 – Types of Clients

MLF provides investment advisory services to the following types of Clients:

- Individuals, Personal Trusts and Estates – private investors, investing their personal assets
- Corporations and Businesses – taxable business entities, investing cash reserves

The relative percentage each type of Client is available on MLF's Form ADV Part 1. These percentages will change over time. MLF generally requires a minimum account size of \$500,000 to effectively implement its investment process. This minimum account size may be reduced at the sole discretion of MLF.

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

A. Methods of Analysis

MLF employs fundamental, technical and cyclical analysis methods in developing investment strategies for its Clients. The Advisor may employ other analysis strategies from time to time. Research and analysis from MLF is derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

As noted above, MLF generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. MLF will typically hold all or a portion of a security for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, MLF may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

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B. Risk of Loss

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. MLF will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process. **Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor. For more information on our investment management services, please contact us at (814) 234-1225 or via email at muchenleefinancial@gmail.com.**

Item 9 – Disciplinary Information

There are no legal, regulatory or disciplinary events involving MLF or any of its employees. MLF and its advisory personnel value the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider in which you partner. Our backgrounds are on the Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov. To review the firm information contained in ADV Part 1, select the option for Investment Adviser Firm and enter **128849** in the field labeled "Firm IARD/CRD Number". This will provide access to Form ADV Parts 1 and 2. Item 11 of the ADV Part 1 lists legal and disciplinary questions. You may also research the background of Muchen Lee by selecting the Investment Adviser Representative and entering Ms. Lee's Individual CRD# **2352191** in the field labeled "Individual CRD Number".

Item 10 – Other Financial Activities and Affiliations

Insurance Agency Affiliations

Ms. Lee, President of MLF, may serve as sales agent for various insurance companies. This activity is done separate and apart from her role with the MLF. As an insurance agent, Ms. Lee may receive customary commissions and other related revenues from the various insurance companies whose products are sold. Clients are under no obligation to implement any recommendations made by Ms. Lee or the Advisor.

Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading

A. Code of Ethics

MLF has implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all persons associated with MLF. The Code of Ethics was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. MLF and its personnel owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of MLF associates to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code of Ethics covers a range of topics that may include; general ethical principles, reporting personal securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code of Ethics, review and enforcement processes, amendments to Form ADV and supervisory procedures. MLF has written its Code of Ethics to meet and exceed regulatory standards. To request a copy of our Code of Ethics, please contact us at (814) 234-1225 or via email at muchenleefinancial@gmail.com.

B. Personal Trading and Conflicts of Interest

MLF allows our employees to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities we recommend (purchase or sell) to you presents a potential conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted, consistent with Section 204A of the Investment Advisers Act of 1940, a Code of Ethics, which addresses insider trading (material non-public information controls) and personal securities reporting procedures. We have also adopted written policies and procedures to detect the misuse of material, non-public information. We may have an interest or position in certain securities, which may also be recommended to you. **At no time, will MLF or any associated person of MLF, transact in any security to the detriment of any Client.**

Item 12 – Brokerage Practices

A. Recommendation of Custodian[s]

MLF does not have discretionary authority to select the broker-dealer/custodian for custodial and execution services. The Client will select the broker-dealer or custodian (herein the "custodian") to safeguard Client assets and authorize MLF to direct trades to this custodian as agreed in the Investment Advisory Agreement. Further, MLF does not have the discretionary authority to negotiate commissions on behalf of our Clients on a trade-by-trade basis.

Where MLF does not exercise discretion over the selection of the custodian, it may recommend the custodian[s] to Clients for execution and/or custodial services. Clients are not obligated to use the recommended custodian and will not incur any extra fee or cost associated with using a broker not recommended by MLF. MLF may recommend a custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, and location of the custodian's offices. MLF does not receive research services, other products, or compensation as a result of recommending a particular broker that may result in the Client paying higher commissions than those obtainable through other brokers.

Following are additional details regarding the brokerage practices of the Advisor:

1. Soft Dollars - Soft dollars are revenue programs offered by broker-dealers whereby an advisor enters into an agreement to place security trades with the broker in exchange for research and other services. **MLF does not participate in soft dollar programs sponsored or offered by any broker-dealer.**

2. Brokerage Referrals - MLF does not receive any compensation from any third party in connection with the recommendation for establishing a brokerage account.

3. Directed Brokerage - All Clients are serviced on a "directed brokerage basis", where MLF will place trades within the established account[s] at the custodian designated by the Client. Further, all Client accounts are traded within their respective brokerage account[s]. The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account[s]). In selecting the custodian, MLF will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the designated custodian.

B. Aggregating and Allocating Trades

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the broker. MLF will execute its transactions through an unaffiliated broker-dealer selected by the Client. MLF may aggregate orders in a block trade or trades when securities are purchased or sold through the same broker-dealer for multiple (discretionary) accounts. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular Client accounts.

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Item 13 – Review of Accounts

A. Frequency of Reviews

Accounts are monitored on a regular and continuous basis by Ms. Lee, President of MLF. Formal reviews are generally conducted at least weekly or more or less frequently depending on the needs of the Client.

B. Causes for Reviews

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually. Reviews may be conducted more or less frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account. The Client is encouraged to notify MLF if changes occur in his/her personal financial situation that might adversely affect his/her investment plan. Additional reviews may be triggered by material market, economic or political events.

C. Review Reports

The Client will receive brokerage statements no less than quarterly from the trustee or custodian. These brokerage statements are sent directly from the custodian to the Client. The Client may also establish electronic access to the custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s]. The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

Item 14 - Client Referrals and Other Compensation

A. Compensation Received by MLF

MLF is a fee-only advisory firm, who, in all circumstances, is compensated solely by the Client. MLF does not receive commissions or other compensation from product sponsors, broker dealers or any un-related third party. Muchen Lee, the President of the Advisor, in her separate capacity as an insurance professional, may receive commissions on the implementation of recommendations made to Clients as detailed in Item 10 above.

MLF may refer Clients to various third-parties to provide certain financial services necessary to meet the goals of its Clients. Likewise, MLF may receive referrals of new Clients from a third-party.

B. Client Referrals from Solicitors

MLF does not engage paid solicitors for Client referrals.

Item 15 – Custody

MLF does not accept or maintain custody of any Client accounts. All Clients must place their assets with a qualified custodian. Clients are required to select their own custodian to retain their funds and securities and direct MLF to utilize that custodian for the Client's security transactions. For more information about custodians and brokerage practices, see Item 12 - Brokerage Practices.

Item 16 – Investment Discretion

MLF generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by MLF. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an Investment Advisory Agreement containing all applicable limitations to such authority. All discretionary trades made by MLF will be in accordance with each Client's investment objectives and goals.

Item 17 – Voting Client Securities

MLF does not accept proxy-voting responsibility for any Client.

Item 18 – Financial Information

Neither MLF, nor its management has any adverse financial situations that would reasonably impair the ability of MLF to meet all obligations to its Clients. Neither MLF, nor any of its advisory persons, has been subject to a bankruptcy or financial compromise. MLF is not required to deliver a balance sheet along with this Brochure as the firm does not collect advance fees for services to be performed six months or more in advance.

Item 19 – Requirements for State Registered Advisors

A. Educational Background and Business Experience of Principal Officer

The President of MLF is Muchen Lee. Information regarding the formal education and background of Ms. Lee is included in Item 2 of Part 2B below.

B. Other Business Activities of Principal Officer

Ms. Lee has additional business activities that are detailed in Item 10 - Other Financial Activities and Affiliations.

C. Performance Fee Calculations

MLF does not charge performance-based fees for its investment advisory services. The fees charged by MLF are as described in Item 5 – Fees and Compensation above and are not based upon the capital appreciation of the funds or securities held by any Client.

D. Disciplinary Information

There are no legal, civil or disciplinary events to disclose regarding MLF or Ms. Lee. Neither MLF nor Ms. Lee has ever been involved in any regulatory, civil or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against MLF or Ms. Lee.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and /or dishonest, unfair or unethical practices. *As previously noted, there are no legal, civil or disciplinary events to disclose regarding MLF or Ms. Lee.*

E. Material Relationships with Issuers of Securities

Neither MLF nor Ms. Lee has any relationships or arrangements with issuers of securities.

Form ADV Part 2B – Brochure Supplement

for

**Muchen Lee
President**

Effective: April 6, 2011

This Brochure Supplement provides information about the background and qualifications of Muchen Lee. (CRD# **2352191**) in addition to the information contained in the Muchen Lee Financial, Inc. ("MLF" or the "Advisor" - CRD #128849) Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you have any questions about the contents of the MLF Disclosure Brochure or this Brochure Supplement, please contact us at (814) 234-1225 or by email at muchenleefinancial@gmail.com.

Additional information about Ms. Lee is available on the SEC's Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov.

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Item 2 – Educational Background and Business Experience

The President of MLF is Muchen Lee. Ms. Lee, born in 1964, is a dedicated Portfolio Manager for Client accounts of MLF.

Ms. Lee earned her Masters of Business Administration from Pennsylvania State University in 1992. Ms. Lee earned a Bachelor of Science in Management Information Systems from Fu-Jen Catholic University in Taiwan in 1987. Additional information regarding Ms. Lee's employment history is included below.

Employment History:

President, Muchen Lee Financial, Inc.	1/1999 to Present
Investment Advisor Representative, Securities America Advisors, Inc.	06/1996 to 04/2011
Registered Representative, Securities America, Inc.	12/1995 to 04/2011
Registered Representative, American Express Financial Advisors, Inc.	05/1993 to 12/1995

Item 3 – Disciplinary Information

There are no legal, civil or disciplinary events to disclose regarding Ms. Lee. Ms. Lee has never been involved in any regulatory, civil or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against Ms. Lee.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and / or dishonest, unfair or unethical practices. *As previously noted, there are no legal, civil or disciplinary events to disclose regarding Ms. Lee.*

However, we do encourage you to independently view the background of Ms. Lee on the Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov. Select Investment Adviser Search from the left navigation menu. Then select the option for Investment Adviser Representative and enter 2352191 in the field labeled "Individual CRD Number".

Item 4 – Other Business Activities

Ms. Lee has additional business activities that are detailed in Item 10 - Other Financial Activities and Affiliations in Part 2A above.

Item 5 – Additional Compensation

Ms. Lee has additional business activities where compensation is received. These business activities are detailed in Item 10 - Other Financial Activities and Affiliations in Part 2A above.

Item 6 – Supervision

Ms. Lee serves as the President and Chief Compliance Officer of MLF. Ms. Lee can be reached at (814) 234-1225.

MLF has implemented a Code of Ethics and internal compliance that guide each employee in meeting their fiduciary obligations to Clients of MLF. Further, MLF is subject to regulatory oversight by various agencies. These agencies require registration by MLF and its employees. As a registered entity, MLF is subject to examinations by regulators, which may be announced or unannounced. MLF is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.

Privacy Policy

Effective: April 6, 2011

Our Commitment to You

Muchen Lee Financial, Inc. ("MLF") is committed to safeguarding the use of your personal information that we have as your Investment Advisor. MLF (referred to as "we", "our" and "us" throughout this notice) protects the security and confidentiality of the personal information we have and make efforts to ensure that such information is used for proper business purposes in connection with the management or servicing of your account. Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything we can to maintain that trust.

We do not sell your non-public personal information to anyone. Nor does MLF provide such information to others except for discrete and proper business purposes in connection with the servicing and management of your account as discussed below.

Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this privacy policy.

The Information We Collect About You

You typically provide personal information when you complete the paperwork required to become our Client. This information may include your:

• Name and address	• Assets
• E-mail address	• Income
• Phone number	• Account balance
• Social security or taxpayer identification number	• Investment activity
	• Accounts at other institutions

In addition, we may collect non-public information about you from the following sources:

- Information we receive on Brokerage Agreements, Managed Account Agreements and other Subscription and Account Opening Documents;
- Information we receive in the course of establishing a customer relationship including, but not limited to, applications, forms, and questionnaires;
- Information about your transactions with us or others

Information About You That MLF Shares

MLF works to provide products and services that benefit our customers. We may share non-public personal information with non-affiliated third parties (such as brokers and custodians) as necessary for us to provide agreed services and products to you consistent with applicable law. We may also disclose non-public personal information to other financial institutions with whom we have joint business arrangements for proper business purposes in connection with the management or servicing of your account. In addition, your non-public personal information may also be disclosed to you, persons we believe to be your authorized agent or representative, regulators in order to satisfy MLF's regulatory obligations, and is otherwise required or permitted by law. Lastly, we may disclose your non-public personal information to companies we hire to help administrate our business. Companies we hire to provide services of this kind are not allowed to use your personal information for their own purposes and are contractually obligated to maintain strict confidentiality. We limit their use of your personal information to the performance of the specific service we have requested.

To repeat, we do not sell your non-public personal information to anyone.

Information About Former Clients

MLF does not disclose, and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our clients.

Muchen Lee Financial, Inc.

301 South Allen Street., Suite 104 * State College, PA 16801

Phone: (814) 234-1225 * Fax: (814) 234-1236

Confidentiality and Security

Our employees are advised about the firm's need to respect the confidentiality of our customers' non-public personal information. Additionally, we maintain physical, procedural and electronic safeguards in an effort to protect the information from access by unauthorized parties.

We'll Keep You Informed

We will send you notice of our privacy policy annually for as long as you maintain an ongoing relationship with us. Periodically we may revise our privacy policy, and will provide you with a revised policy if the changes materially alter the previous privacy policy. We will not, however, revise our privacy policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing. You may obtain a copy of our current privacy policy by contacting us at (814) 234-1225 or via email at muchenleefinancial@gmail.com.

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