

BAKER ASSET MANAGEMENT LLC

1601 NW EXPRESSWAY, 20TH FLOOR, SUITE A

OKLAHOMA CITY, OK 73118

405-415-7270

June 30, 2011

This brochure provides information about the qualifications and business practices of Baker Asset Management LLC. If you have any questions about the contents of this brochure, please contact us at 405-415-7270. 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.

The Baker Group LP is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with any information about which you determine to hire or retain an Adviser.

Additional information about Baker Asset Management LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2-Material changes

On July 28, 2010, the United States Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated June 30, 2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Robert Todd Owens, President at (405)415-7270 or todd@bakerassetman.com.

Additional information about Baker Asset Management LLC is also available via the SEC’s web site www.adviserinfo.sec.gov.

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Item 4- Advisory Business

Baker Asset Management LLC acts primarily as advisor to individual clients and their retirement accounts, institutional accounts, including trusts, estates, pension and profit sharing plans, bank holding companies and corporations and other business entities.

Item 5- Fees and Compensation

Advisory fees for all advisory clients are asset-based on the portfolio valuation as shown by the following scale. The one-time start-up fee will be based on the initial deposit in all sub-accounts. The wrap fees are calculated and payable in arrears, based upon the three-month average of client's portfolio valuation (all sub-accounts) on the last day of each month during the calendar quarter (the "Average Portfolio Valuation") and multiplied by the percentage applicable to the client's Average Portfolio Valuation (with a minimum annual Advisor's fee of \$100). The wrap fee shall include all investment advisory, custodial, brokerage and administrative services provided. The wrap fee does not include (i) underwriting or dealer concessions or related compensation in connection with securities acquired in underwritten offerings, where the offering price is established by prospectus or other offering documents, (ii) certain odd-lot differentials, transfer taxes, redemption fees and fees mandated by the Securities Act of 1934, postage and handling fees, wire fees, clearing firm transaction fees and expenses of mutual funds (including money market funds), closed-end investment companies or other managed investments, if any are held in the client's account. The fee does not cover securities transactions in the over-the-counter market when the firm must approach a dealer or market maker to purchase or sell a security, including the dealer's mark-up, mark-down or spread and odd-lot differentials or transfer taxes imposed by law. Security purchases and sales in fixed income securities are traded through The Baker Group LP.

If the investment advisory fees are waived for fixed income securities by Advisor, a dealer's mark-up, mark-down or spread may be included in the price of the securities to Client. All unearned, prepaid fees will be refunded upon termination.

Cash/Mutual Funds

0	1,000,000	1.00%
1,000,000	5,000,000	.90%
5,000,000	10,000,000	.75%
Over \$10,000,000		Negotiable

Fixed Income

0	1,000,000	.90%
1,000,000	5,000,000	.75%
5,000,000	10,000,000	.50%

Over \$10,000,000

Negotiable

Equities/Options/Closed End Funds

0	250,000	2.00%
250,000	500,000	1.50%
500,000	1,000,000	1.00%
1,000,000	5,000,000	.75%
Over \$5,000,000		Negotiable

START-UP FEE (ALL PORTFOLIOS)

1.00% of assets transferred into account

All fees, minimum balances, and start-up fees are negotiable.

Item 6- Performance-Based Fees and Side-By-Side Management

Baker Asset Management LLP does not charge any performance-based fees (fees based on a share of capital gains or capital appreciation of the assets of a client).

Item 7- Types of Clients

Baker Asset Management LLC provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, and foundations.

Item 8- Methods of Analysis, Investment Strategies & Risk of Loss

Investment Management Process

BAM develops an individual Investment Policy Statement that specifies the client's investment objectives and constraints (risk tolerance) and selects securities based on this asset allocation. BAM's aim is to communicate to each client on at least a quarterly basis the results of the portfolio compared to the client's long-term goals and objectives.

Investment Policy Statement

By means of a client profile questionnaire and personal interviews with the client, BAM will define the client's investment objectives in terms of expected total return (capital gains and current income) and risk tolerance. The process will also address investment constraints, including:

- Liquidity needs- short term obligations
- Time horizons- anticipated holding periods
- Tax considerations- taxable versus non-taxable investments
- Regulatory and Legal- governing requirements for Trusts, Pension, and other qualified retirement plans
- Unique needs and preferences

These findings will provide a basis for strategy for the client portfolio, as well as providing the structure for evaluating investment performance.

Asset Allocation

A risk category is assigned to each client that determines the mix of invested assets. Typically, the portfolios of the more aggressive investors are weighted with a bias toward U. S. and foreign equities. More conservative investors are placed in fixed-income and short-term money market instruments as well. The allocation decision is applied to the client's aggregate holdings, including taxable and non-taxable accounts, to achieve proper diversification.

Security Selection

Client portfolios are invested in the shares of open-end investment companies (mutual funds), exchange-traded funds (ETFs) and exchange-traded unit investment trusts (UITs). BAM also utilizes shares of closed-end funds and individual common equities. .

BAM considers that mutual funds provide an effective and cost-effective means of achieving equity returns in an investment portfolio. BAM is not affiliated with any marketer, distributor or underwriter of any mutual fund or UIT products. BAM purchases independent research products and services that assist in evaluating and selecting the most appropriate mutual funds for its clients.

Because there are many open-end mutual funds available, BAM monitors the style and investment objective of all client-invested funds and makes portfolio rebalancing decisions based on the relative strengths of a particular fund and/or investment style. The final outcome is that the investment objective of the client is met, regardless of the given fund mix at any time. Because Fund Managers seldom concentrate on all styles and categories, a selection of funds can be utilized to meet the client's needs.

Balanced portfolios are built by combining individual debt securities with equity securities. Those selected for the clients are typically purchased on the secondary market. Diversification among issuers and quality are selected based on the client's needs.

Monitoring and Re-balancing of Portfolios

The clients' needs may change that mandate the re-evaluation of their investment requirements. Each investment portfolio is reviewed on a regular basis to adjust portfolio positions. The following factors play a part in the necessity to review and adjust:

- Change in client risk profile
- Significant contribution or withdrawal of funds
- Changes in market conditions or security selection

BAM uses a strategic asset allocation, known as a constant mix strategy, for most portfolios. Change in asset value over time causes the need to periodically re-balance the portfolio to maintain the desired portfolio weight.

Measurement and Reporting

BAM utilizes a portfolio management system to manage client assets. The clients receive clear and concise reports at the end of each quarter in which their portfolio performance is measured against the following key indicators:

Barclays Aggregate Index- is composed of the Barclays Government/Corporate Index, the Mortgage-Backed Securities Index, and the Asset-Backed Securities Index. The figure is a one-month total return

Russell 2000 Index- is comprised of the smallest 2,000 companies in the Russell 3000 Index.

Standard & Poor's 400 Index- is a market capitalization-weighted index of the mid-range of the stock market. Any midcap stocks already included in the S&P 500 are excluded from this index.

Standard & Poor's 500 Index—is a market capitalization-weighted index of 500 widely held stocks. It measures the movement of the largest issues. S&P chooses the member companies for the 500 based on market size, liquidity and industry group representation.

MSCI EAFE Index – Morgan Stanley Capital International Europe, Australia, and the Far East Index is an aggregate of 21 individual country indexes that collectively represent many of the major markets of the world.

Item 9- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Baker Asset Management LLC or the integrity of Baker Asset Management LLC management. Baker Asset Management LLC has no information applicable to this Item.

Item 10- Other Financial Industry Activities & Affiliations

Baker Asset Management LLC is affiliated, through common ownership, with The Baker Group LP (TBG), a broker-dealer registered with Financial Industry Regulatory Authority (FINRA).

Although there are no formal agreements between Baker Asset Management LLC and the TBG, Baker Asset Management LLC, through its discretionary authority, will, in the absence of a direction to the contrary, establish brokerage accounts for its advisory clients at TBG, who directs trades on a fully-disclosed basis to Pershing LLC, its clearing broker. Although Baker Asset Management LLC believes that TBG's commissions are competitive and the affiliation between Baker Asset Management LLC and TBG does not cause an account to pay a higher commission, there is little incentive for Baker Asset Management LLC to see lower commissions in view of the affiliation.

Although TBG provides competitive commission rates, these rates may not be the lowest attainable for similar transactions and have not been negotiated at arms length due to the relationship between the firms. Baker Asset Management has a duty to its clients, as their investment advisor, to obtain a combination of the best price and execution for their advisory accounts. It should be understood, however, that Baker Asset Management LLC is not entirely impartial in making this appraisal in view of this affiliation with TBG.

Item 11- Code of Ethics

Baker Asset Management LLC is affiliated through common ownership with The Baker Group LP (TBG), a broker-dealer registered with Financial Industry Regulatory Authority (FINRA). TBG clears securities transactions for Baker Asset Management's accounts on a fully-disclosed basis through Pershing LLC. Under the fully-disclosed clearing relationship between TBG and Pershing, TBG receives a portion of commissions as introducing broker.

From time to time, recommendations may be made to clients for securities in which the broker/dealer, its officers and/or employees may have incidental long or short positions.

Because the investment objectives and personal circumstances of those persons may differ from those of Baker Asset Management's clients, the timing of such transactions may not coincide with the timing of portfolio transactions for clients. In addition, TBG and its principals, associates, and employees may purchase or sell securities, which Baker Asset Management does not recommend to or include in client portfolios because such securities do not meet the investment guidelines established for the client's portfolio. In such instances, Baker Asset Management is not obligated to offer its clients the opportunity to invest or purchase such securities.

Baker Asset Management is mindful of its fiduciary duties and will not deprive its clients or appropriate to its own advantage, investment opportunities that are suitable for client accounts. The Baker Group, as a precaution, will place client orders on the same side of a transaction on the same day for the same security prior to those of proprietary accounts.

Baker Asset Management LLC's advisory clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Robert Todd Owens, President.

Item 12- Brokerage Practices

Baker Asset Management will direct all or substantially all brokerage transaction to The Baker Group LP brokerage services, acting in its capacity as an SEC registered broker/dealer and the clearing and custodial services of Pershing LLC on a fully-disclosed basis for BAM as broker/dealer for investment management accounts.

Factors, which BAM considers in recommending Pershing LLC, are their respective financial, strength, reputation, execution, pricing, research and service. The commissions and/or transaction fees charged by Pershing in its capacity as a broker-dealer may be higher or lower than those charged by other broker-dealers.

The clients pay a wrap fee for all brokerage services in the account. The client may not direct BAM to use a particular broker-dealer to execute some or all transactions for the client.

Item 13- Review of Accounts

Accounts generally are reviewed by management, on at least a weekly basis. When market conditions, economic events or individual issuers prompt immediate review, accounts are reviewed more frequently and may be subject to daily monitoring. This is an ongoing process of analysis to ensure that client objectives are being met and tactical adjustments can be made to respond to changing market conditions. Reviews

are focused on performance, asset allocation, investments, diversification and the general positioning of the accounts in light of fundamental and technical forces at work in the marketplace.

Investment advisory accounts receive quarterly Statements of Performance from the firm. Supervised accounts will receive statements of activity on at least on a quarterly basis, reflecting cash and securities positions, market value and the change in value for the total portfolio from the previous period from the custodian, Pershing LLC.

Item 14- Client Referrals and Other Compensation

We do not directly or indirectly compensate any third parties for client referrals.

Item 15- Custody

In the capacity of investment adviser, Baker Asset Management LLC does not have custody of client funds or securities.

This section is not applicable.

Item 16- Investment Discretion

Baker Asset Management LLC usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated objectives for the particular client account.

When selecting securities and determining amounts, Baker Asset Management LLC observes the investment policies, limitations and restrictions of the clients for which it advises.

Investment guidelines and restrictions must be provided to Baker Asset Management LLC in writing.

Item 17- Voting Client Securities

Accounts not subject to ERISA: Advisor will not vote any proxies for securities or exercise voting rights pertaining to investments in the Account (including without limitation matters relating to conversions, exchanges, mergers, stock splits, rights offerings, recapitalizations and reorganizations) unless directed in writing by Client to do so.

Accounts subject to ERISA: Unless client directs Advisor in writing to the contrary, or the documents of an employee benefit plan reserves the right to vote proxies to the plan's trustees or named fiduciary, Advisor will vote all proxies for securities and exercise voting rights pertaining to investments in the Account (including without limitation matters relating to conversions, exchanges, mergers, stock splits, rights offerings, recapitalizations and reorganizations).

Advisor will not be responsible or liable for failing to vote any proxies where it has not received such proxies or related communications on a timely basis from Pershing LLC.

Item 18- Financial Information

Registered investment advisers are required in this item to provide you with certain financial information or disclosures about Baker Asset Management LLC's financial condition if they have custody of clients funds or securities or require prepayment of more than \$1200 in fees six months or more advance or if the adviser has been the subject of a bankruptcy during the past ten years. Baker Asset Management LLC does not require or solicit prepayment of fees six months or more in advance. We have not been the subject of a bankruptcy petition.

Item 19- Requirements for State- Registered Advisors

Robert Todd Owens serves as President and investment portfolio manager for individuals, corporations and trusts. Mr. Owens is a Chartered Financial Analyst and registered Investment Adviser Representative. He is a 1992 graduate of Baylor University with a BBA in Financial Services. He was born in 1968. Prior to joining the firm, he served as an Investment Adviser Representative with a Houston investment management firm.