



MBM Advisors, Inc

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March 17, 2011

This Brochure provides information about the qualifications and business practices of MBM Advisors, Inc. If Clients have any questions about the contents of this Brochure, please contact the Firm at 713-228-6444 and/or BBurnam@mbm-inc.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. MBM Advisors, Inc. is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training.

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Item 2 – Material Changes

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 March 17, 2011 is 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 the Firm’s previous brochure did not require.

On an ongoing basis, this item will discuss only specific material changes that are made to the Brochure and provide Clients with a summary of such changes. The Firm will also reference the date of its last annual update of the Brochure.

In the past, MBM Advisors Inc. (“MBM”) has offered or delivered information about the Firm’s qualifications and business practices to Clients on at least an annual basis. Pursuant to new SEC Rules, the Firm will ensure that Clients receive a summary of any materials changes to this and subsequent Brochures within 120 days of its business’ fiscal year-end. Further, MBM will provide Clients with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, MBM’s Brochure may be requested by contacting Robert Burnam, President, at 713/228-6444 or via email at BBurnam@mbm-inc.com. Additionally, the Brochure is available on MBM’s Website at www.mbm-inc.com.

Additional information about MBM is also available via the SEC’s Website at www.adviserinfo.sec.gov. The SEC’s Website also provides information about any persons affiliated with MBM who are registered, or are required to be registered, as investment adviser representatives of MBM

Other than the new format and requirements related to the use of the new version of the Form ADV Part 2A, the Firm has experienced no material changes since the last update on August 9, 2010.

Item 3 – Table of Contents

For your convenience in locating specific information, a Table of Contents is provided in this Brochure.

Item 4 – Advisory Business

MBM Advisors Inc. (“MBM”), which was originally formed in 1966 is wholly owned subsidiary of Sterling Bank a Texas Chartered bank. Its principal officers are Donald Black, Chairman of the Board; Robert Burnam, President, Chief Investment Officer and Chief Compliance Officer and Lindsay Black, Chief Executive Officer. MBM provides investment advisory services on a discretionary and non-discretionary basis to individuals, IRA’s, and qualified retirement plans. MBM undertakes to provide individual portfolios with objective setting, asset allocation services, and security selection criteria. MBM also provides fiduciaries of 401(k) plans and other types of qualified retirement plans with objective setting, criteria for selecting appropriate asset classes, and assists in the specific asset selection.

In addition, asset allocation strategies for ERISA Defined Contribution Plans will be tailored to meet the requirements of the plan and to satisfy the fiduciary obligations of the trust. MBM may provide Plan Fiduciaries with support and assistance in explaining the Plan to the Plan Participants and providing some basic information to Plan Participants regarding asset classes and asset allocation.

MBM assists Clients in the preparation of Investment Policy Statements. This service includes determining investment objectives, selecting asset classes, establishing asset allocation models, and establishing criteria for selecting and monitoring investment company securities.

The principal executive officers and other employees of MBM are registered as representatives of MBM Securities, Inc ("MBMS"), a broker-dealer. The advisory activities of MBM, which involve placing Client trades with a broker-dealer, are supervised by MBMS as required by the Financial Industry Regulatory Authority ("FINRA"). To meet its supervisory responsibilities, MBMS requires that MBM place advisory transactions only through MBMS or through those broker custodians that are approved by MBMS.

Clients retain MBM by entering into a written agreement for services. The contract is cancelable upon thirty days written notice by either party. Upon initiation of any investment advisory relationship, the Client is obligated to pay a fee for three months work as compensation for MBM's efforts in reviewing the portfolio and developing basic asset allocation strategies. If either party cancels the contract, the fee would be prorated through the date of cancellation. Fees are due the earlier of the date of termination of the contract, or after each calendar quarter in arrears.

Clients shall have the right to terminate their advisory agreement, without penalty, at any time within five (5) business days after the effective date of the Client contract. Either party may terminate the agreement upon thirty-(30) days written notice to the other party by certified or registered mail to the address set forth in the contract. In the event, the agreement is terminated, and the Client has advanced any fees, which have not been earned, as of the effective date of termination, such unearned fees shall be refunded to the Client.

MBM provides investment advice on both a discretionary and nondiscretionary basis. As of December 31, 2010, the Firm managed \$985,680,888.00 total assets with \$3,927,617.00 on a discretionary basis and \$981,753,271.00 on a nondiscretionary basis.

Item 5 – Fees and Compensation

Clients retain MBM by entering into a written agreement for services. The contract is cancelable upon thirty (30) days written notice by either party. Upon initiation of any investment advisory relationship, the Client is obligated to pay a fee for three (3) months work as compensation for MBM's efforts in reviewing the portfolio and developing basic asset allocation strategies. If either party cancels the contract, the fee would be prorated through the date of cancellation. Fees are due the earlier of the date of termination of the contract or after each calendar quarter in arrears.

Market Value of Portfolio

Maximum Annual Rate

Total Value

2.00%

Fees are negotiable depending upon the facts and circumstances of each Client. An annual minimum fee of \$2500.00 is applied, payable in quarterly increments.

MBM will only be permitted to make withdrawals from accounts as specifically directed by Clients. When authorized by Clients, MBM will take payment of fees when due out of a Client's account. At MBM's discretion, a sufficient number of shares of mutual funds in the account will be redeemed at the then current net asset value to pay fees when due.

To the extent mutual funds are selected to fill components of the overall investment strategy, the annual advisory fee set forth above does not include the customary fees and expenses associated with investing in mutual funds or other costs of establishing and maintaining an account with mutual funds including Rule 12b-1 fees and expenses. The Client is advised that, in addition to the annual advisory fee set forth above, each mutual fund in which assets are invested will incur separate investment advisory fees and other expenses for which Client will bear a proportionate share.

Additionally, the advisory fee does not include certain costs or charges associated with securities transactions with or through a broker-dealer including brokerage commissions and dealer mark-ups or mark-downs in principal transactions or stock exchange fees, transfer taxes or other charges mandated by law, which will be separately charged to the Client's account.

MBM provides financial planning services for the Clients. Based on the specific needs of the Client, Financial Planning may be included in the asset base fee or there may be a separate charge for this service. If Financial Planning is a separate charge, the Client will sign a separate consulting agreement. Fees range from \$150 to \$500 an hour depending upon the nature and complexity of each Client's individual circumstances. The Client is billed in arrears upon completion of this service.

MBM Advisors has a blanket plan expense reimbursement arrangement with Fidelity Investments and Charles Schwab, providing that where MBM is acting as a Third Party Administrator of a qualified retirement plan or a non-qualified retirement plan Schwab or Fidelity pays to MBM Advisors certain basis points for the average investments our Clients have in certain funds. MBM discloses this revenue sharing to all Clients and rarely retains it. In most cases, MBM will credit the Client with the full amount of the plan expense reimbursement received via an offset to the Client's bill. In some cases Clients may choose to pay MBM's entire bill and have any plan expense reimbursement credited to their account. In a very few cases MBM has negotiated that they will retain the plan expense reimbursement payments to offset administrative fees that are charged for non advisory services.

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

MBM does not charge any performance-based fees that are based on a share of capital gains on or capital appreciation of the assets of a Client.

Item 7 – Types of Clients

MBM provides investment advisory services on a discretionary and non-discretionary basis to individuals, IRA's, and qualified retirement plans. MBM undertakes to provide individual portfolios with objective setting, asset allocation services, and security selection criteria. MBM also provides fiduciaries of 401(k) plans and other types of qualified retirement plans with objective setting, criteria for selecting appropriate asset classes, and assists in the specific asset selection.

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

MBM believes in the fundamental tenets of Modern Portfolio Theory ("MPT"), active management, and diversification. Following these theories, MBM utilizes mathematically rigorous processes to assure that our Clients' assets are invested to provide an optimal investment solution for their unique needs and circumstances. Clients should be aware that investing in securities involves risk of loss that they should be prepared to bear.

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 a Client's evaluation of MBM or the integrity of the Firm's management. MBM had no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

The principal executive officer and other employees of MBM are Registered Representatives of MBM Securities, Inc. ("MBMS"), a securities broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA"). Under the rules and regulations of the FINRA, MBMS has obligations to maintain records and perform functions regarding certain aspects of the investment advisory activities of its Registered Representatives in relation to certain

advisory accounts for which its Registered Representatives provide investment advice. These obligations require MBMS to coordinate with, and have the cooperation of the custodian.

In order to fulfill its obligation, MBMS has established a list of custodian and brokerage firms which it has arranged to obtain the required cooperation, and which therefore may be used for custody of accounts directly advised either by Registered representatives of MBMS who are investment advisers or other investment adviser entities which are affiliated with Registered representatives of MBMS. In certain instances, MBMS will collect as paying agent for MBM, the investment advisory fee remitted to MBM by the account custodian, and MBMS will retain a portion as a charge to MBM, (not the Client) for the functions MBMS is required to carry out by FINRA. This fee will not increase execution or brokerage charges to the Client or the fee the Client has agreed to pay MBM pursuant to the Client's advisory agreement. A portion of the fee by MBMS may be re-allocated to other registered representatives of MBMS, who as registered representatives of MBMS are responsible for the supervision of other representatives and assist MBMS with the functions described above.

MBMS will not be used to implement transactions for MBM's investment advisory Clients investing in no-load or load mutual funds available at net asset value without compensation to MBM's associated persons. These Clients will be required to use a MBMS-approved custodian broker as their broker-dealer for such transactions placed on their behalf by MBM.

The principal executive officer and other employees of MBM may recommend securities or insurance products offered by MBMS. If Clients freely choose to implement commissionable transactions, the broker-dealer used for these transactions will be MBMS and the registered representatives will receive normal commissions. No Client is obligated to purchase recommended products, or to purchase through MBM or MBMS.

MBM also provides pension consulting, administrative and actuarial services. The fees for these services are separate and distinct from the advisory fees charged by MBM. MBM provides plan design, record-keeping, investment management services and employee communication to pension, profit sharing, 457, 401(a), and 401(k) plans.

The principal executive officer and other employees in their individual capacities are agents and/or brokers for various insurance companies. In this separate capacity, these individuals will be able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory Clients. However, no Client is obligated to use these individuals to purchase insurance. The principals and certain representatives of MBM who are licensed as insurance agents are in the business of selling securities, variable contracts, and insurance products.

MBM representatives are associated with accounting firms. It is expected that there will be Clients common to both MBM and the accounting firms. The firms operate independently and Clients of MBM are free to use any accounting service provider of their choosing.

MBM Advisors, Inc. is a wholly owned subsidiary of Sterling Bank, a Texas Chartered bank. MBM solicits business from bank Clients via referrals from bank personnel.

MBM participates in the service program offered by Schwab Institutional ("SI"), a division of Charles Schwab & Co., and Fidelity Institutional Advisor Group ("FIAG"). Economic benefits are received which would not be received if MBM did not give investment advice to Clients. These benefits include: receipt of duplicate Client confirmations; bundled duplicate Client confirmations; and bundled duplicate statements. In addition, the Client will have access to a trading desk serving SI and FIAG participants exclusively; access to block trading, which provides the ability to aggregate securities transactions and then allocate the appropriate shares to the Client's address, for a fee. Benefits also include access to an electronic communication network for Client order entry and account information. Also included are, receipt of compliance publications, and access to mutual funds generally

requiring a significantly higher minimum initial investment or available only to institutional investors. These benefits received through participation in the SI and FIAG programs do not depend upon the amount of transactions directed to Schwab or Fidelity.

SI and FIAG also makes available to MBM other products and services that benefit MBM but may not benefit its Clients' accounts. Some of these other products and services assist MBM in managing and administering Clients' accounts. These include software and other technology that provide access to Client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple Client accounts); provide research, pricing information and other market data; facilitate payment of MBM's fees from its Clients accounts; and assist with back-office functions, recordkeeping and Client reporting. Many of these services generally may be used to service all or a substantial number of MBM's accounts, including accounts not maintained at SI or FIAG. SI or FIAG may also make available to MBM other services intended to help MBM manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, Schwab may make available, arrange and/or pay for these types of these services or pay all or a part of the fees of a third party providing these services to MBM. While as a fiduciary, MBM endeavors to act in its Clients' best interests, and MBM's recommendation that Clients maintain their assets in accounts at Schwab may be based in part on the benefit to MBM of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by SI or FIAG, which may create a potential conflict of interest.

Unless Client instructs MBM otherwise, the firm may place orders for the execution of transactions with or through a broker/dealer as MBM may select, and complying with Section 28(e) of the Securities Exchange Act of 1934, may pay a commission on transactions in excess of the amount of commission another broker or dealer would have charged. MBM will select such brokers that can effect transactions at the best price and execution under the prevailing circumstances. In managing investment portfolios, MBM acts in a manner in keeping with what it understands and believes to be the best interests of the Client. Individual securities are selected to provide diversification among economic sectors and industries which are chosen to achieve the desired balance between expected risk and expected return. Transactions of an unusual nature are discussed with Clients before execution.

MBM may receive from custodians, without cost, software and support which allow MBM to better monitor and service Client accounts. The firm may receive the software and support without cost because MBM renders investment advisory services to Clients that maintain accounts with certain custodians.

Item 11 – Code of Ethics

MBM has adopted a Code of Ethics to ensure that securities transactions by MBM employees are consistent with MBM's fiduciary duty to its Clients and to ensure compliance with legal requirements and MBM's standards of business conduct. The Company requires transaction confirmation and quarterly reporting of such transactions. A written copy of MBM's Code of Ethics is available upon request. MBM or individuals associated with MBM may buy or sell securities identical to those recommended to Clients for their personal accounts. In addition, any related person(s) may have an interest or position in a certain security (ies) which may also be recommended to a Client.

It is the expressed policy of MBM that no person employed by MBM may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, and therefore preventing such employees from benefiting from transactions placed on behalf of advisory accounts.

MBM or individuals associated with MBM may buy or sell securities identical to those recommended to customers for their personal accounts. Additionally, any related person(s) may have an interest or position in a certain

security (ies) which may also be recommended to a Client. As these situations represent a conflict of interest, MBM has established the following restrictions in order to ensure its fiduciary responsibilities.

A director, officer, or employees of MBM shall not buy or sell securities for their personal portfolios(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person of MBM shall prefer his or her own interest to that of the advisory Client. MBM maintains a list of all securities holdings for itself, and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of MBM. MBM requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered advisors.

It is MBM's policy that the Firm will not effect any principal or agency cross securities transactions for Client accounts. MBM will also not cross trades between Client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory Client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser acts as broker for both the advisory Client and for another person on the other side of the transaction.

Item 12 – Brokerage Practices

MBM has discretionary authority to determine securities to be bought or sold, the total amount of securities to be bought and sold, the brokers or dealers through whom securities are to be bought and sold, and the commission rates at which securities transactions are to be affected.

MBM's fundamental policy is to seek for its Clients what, in its judgment, will be the best overall execution of purchase or sale orders and the most favorable net prices in securities transactions consistent with its judgment as to the business qualifications of the various broker or dealer firms with which MBM may do business. Decisions with respect to the market in which the transaction is to be completed, the form of the transactions, and the allocation of orders among brokers or dealers are made in accordance with this policy.

In selecting brokers or dealers to effect portfolio transactions, consideration is given to the proven integrity and financial responsibility of the various firms as well as to their demonstrated execution experience and capability generally and in regard to particular markets or securities and to the competitiveness of the commission rates they charge.

With respect to any brokerage commissions charged by executing broker-dealers, MBM will regularly and continuously review such charges within the foregoing criteria and such other comparative standards which it may regard as pertinent for the purpose of evaluating the reasonableness of such commissions. As permitted by law, and specifically by provisions of Section 28(e) of the Securities Exchange Act of 1934, MBM may cause its Clients to pay a broker-dealer an amount of commission for executing a portfolio transaction order on behalf of its Clients which is in excess of the commissions other broker-dealers would have charged for effecting such a transaction. In order to do so, MBM must determine in good faith that the higher commissions are reasonable in relation to the value of the brokerage and research services provided by the executing broker-dealer viewed in terms of either a particular transaction or MBM's overall responsibilities to its other Clients.

MBM requires that consulting Clients use the brokerage services of Schwab Institutional, a division of Charles Schwab & Co. ("Schwab"), or Fidelity Institutional Advisor Group ("FIAG") for implementation of all recommended transactions in no-load and load mutual funds at net asset value without compensation to MBM's related persons.

Item 13 – Review of Accounts

All accounts are reviewed either on an annual basis or a when needed basis depending on the specific facts and circumstances surrounding the particular assignment for which MBM was hired. Asset allocation models will be based either on standard model portfolios or upon Client specific requests. Reviewers will be the principals or senior associates of MBM Advisors, Inc. The underlying fund investments are reviewed on a quarterly basis to ensure they are meeting and/or exceeding their respective standard market indices.

Clients will receive formal performance reports on a quarterly basis. Reports will reflect deposits and withdrawals from the account, and investment performance. Investment performance will measure performance of individual assets within the account, the account as a composite and compare account performance against standard market indexes. The Clients also receive brokerage transaction confirmations and statements at least quarterly from the custodian of the account. All statements sent by MBM include a legend directing the Clients to review and compare with statements provided by the custodians.

Item 14 – Client Referrals and Other Compensation

MBM's associated persons may, from time to time, receive incentive awards for the recommendation/introduction of investment products. The receipt of this compensation may affect MBM's judgment in recommending products to its Clients. MBM will take all necessary steps to ensure it meets its fiduciary duties for its Clients including instances where incentive awards may be involved.

Item 15 – Custody

Clients should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains Clients' investment assets. Clients should carefully review such statements and compare such official custodial records to the account statements that MBM may provide. MBM's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

MBM is normally granted discretionary authority via the initial contract the Clients and the Firm enters into. In cases where the Clients have granted MBM discretionary authority, the Firm normally has the authority to determine securities to be bought or sold, the total amount of securities to be bought and sold, the brokers or dealers through whom securities are to be bought and sold, and the commission rates at which securities transactions are to be affected. . MBM strives to ensure that such discretion is exercised in a manner consistent with the stated investment objectives and investment policy statements for the particular Client account. Such objectives and policy statements are required to be provided by the Client in writing.

The principal executive officers and other employees of MBM are registered as representatives of MBM Securities, Inc ("MBMS"), a broker-dealer. The advisory activities of MBM, which involve placing Client trades with a broker-dealer, are supervised by MBMS as required by the Financial Industry Regulatory Authority ("FINRA"). To meet its supervisory responsibilities, MBMS requires that MBM place advisory transactions only through MBMS or through those broker custodians that are approved by MBMS.

Item 17 – Voting Client Securities

It is the general policy of MBM Advisors Inc. to not take any action or render any advice in reference to the voting of proxies for those securities held in all Client accounts. The proxies are delivered from the custodian to the Client for voting and MBM Advisors does not keep any record of how or if the proxies are voted.

Item 18 – Financial Information

MBM is well capitalized and wholly owned subsidiary of Sterling Bank a Texas Chartered bank. Investment Advisers are required to provide Clients with certain information and disclosures regarding the financial condition of the Firm. MBM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients and has not been the subject of a bankruptcy proceeding.