

No. _____

ADV PART 2A



Financial Advice and Representation

Item 1 – Cover Page

RS Crum Inc.
4 Upper Newport Plaza Drive
Suite 201
Newport Beach, CA 92660
(949) 428-9696
www.rscrum.com

Dated: August 10, 2011

This Brochure provides information about the qualifications and business practices of RS Crum Inc. (or “The Firm”). If you have any questions about the contents of this Brochure, please contact us at (949) 428-9696 or by email at rscrum@rscrum.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.

RS Crum Inc. 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 provides you with information which you may use to determine to hire or retain an Adviser.

Additional information about RS Crum Inc. also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This section will discuss only specific material changes that are made to the Brochure. This Brochure was last updated March 23, 2011.

Item 4 – Advisory Business

Changes were made to reflect an internal succession of ownership. Richard Crum as of July 2011 is no longer the principal owner of RS Crum Inc. The current principal owners are Mark Rylance, Jon Theriault, and Daniel Sexton.

Updated Assets Under Management to indicate values as of June 30, 2011. As of June 30, 2011 discretionary assets totaled \$184,700,000 and non-discretionary remained unchanged at \$500,000.

Item 5 – Fees and Compensation

Changes were made to reflect RS Crum Inc.’s current policy that under certain circumstances the Firm does accept the authority to bill / debit client account(s) directly for fees. Previously, RS Crum Inc.’s policy was NOT to accept such authority.

Item 15 – Custody

Deleted the sentence, “Nor does RS Crum Inc. retain the authority to bill / debit client account(s) directly for fees (See Item 5: Fees and Compensation).” to bring in line with current policy discussed above.

Currently, our Brochure may be requested by contacting our office at (949) 428-9696 or rscrum@rscrum.com. Our Brochure is also available on our web site at www.rscrum.com, free of charge.

Additional information about RS Crum inc. is available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with RS Crum Inc. who are registered, or are required to be registered, as investment adviser representatives of RS Crum Inc.

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Item 4 – Advisory Business

Since 1976, RS Crum Inc. (The Firm) has been providing investment management, financial planning and business consulting services on a FEE ONLY basis. The Firm does not participate or offer product sales (or accept commissions) in connection with services. RS Crum Inc. believes this enhances objectivity to its clients.

RS Crum Inc.'s principal owners are Mark Rylance, Jon Theriault, and Daniel Sexton.

Financial Advice and/or Representation Services

The scope of financial advice and/or planning services provided by RS Crum Inc. differs from client to client depending on their specific need.

RS Crum offers comprehensive financial services and services that are limited in scope. Areas that could be covered include:

- Budget, Cash Flow, and Net Worth Assessment
- Summary of Client Goals
- Investment Management
- Retirement Analysis
- Transitional Event Planning
- Real Estate Analysis
- Business Consulting

The Firm might also work with a client's other advisors as they generally relate to estate planning, tax planning, and / or insurance.

Services That are Limited in Duration

RS Crum Inc. offers engagements of limited duration up to one year.

The cost of a limited engagement does not include the follow up or monitoring of future activities. In addition, the limited engagement does not include periodic review nor is there any obligation on the part of the client to re-utilize RS Crum Inc.

Clients who previously received limited financial advice and / or planning services may choose to have such services updated and / or modified.

This decision is solely that of the client. RS Crum Inc. does not send periodic reminders or advocate any specific time frame wherein a "financial check-up" may become advantageous. However, the client is told that time and economic circumstances do change and that every

financial plan will need modification and/or revision at some future time.

The policy of RS Crum Inc. is to charge a flat fee for such review services.

Continuous (On-Going) Advisory Services

Individuals may engage RS Crum Inc. for financial services on an ongoing basis (i.e., month to month).

A fixed fee, paid monthly or quarterly, is usually determined and agreed upon by both parties prior to entering any service arrangement. The fee and billing schedule are included in a formal engagement contract. This contract is signed by all parties and retained on file before work begins. An electronic copy is also retained.

A retainer fee might be determined that may not relate purely to asset management. This fee might be based on estimated work and responsibilities attributable to the service provided including work in other financial areas such as estate planning, income tax planning, retirement analysis, business consulting, etc.

Ongoing investment management is normally conducted on a discretionary basis. Although clients participate in identifying specific goals, they usually are not involved in the “day-to-day” specificity of investment selection.

Each client receives periodic statements and confirmations of any and all trading activity from independent account custodian(s) or third party administrator(s). RS Crum Inc. receives duplicate account statements and confirmations.

RS Crum Inc. DOES NOT maintain general powers of attorney over client accounts.

Cancellation of Services (Limited Duration or Continuous)

Services can be cancelled by either party at any time without penalty or advance notice. Monies advanced, if any for services and / or work product not completed are reimbursed on a pro rata basis depending on the extent of work completed.

New Clients (Limited Duration and Continuous Advisory Clients)

An initial consultation is given free of charge to all potential clients. This meeting may include a general discussion of their financial options, alternatives, and goals in one or more of the following financial areas:

- Budget, Cash Flow, and Net Worth
- Investments
- Income Tax

- Retirement
- Estate
- Real Estate
- Business Consulting

A copy of the ADV Part 2A (Brochure) is generally mailed to any potential new client(s) approximately one week prior to the initial conference along with a letter confirming time or it is provided at the initial meeting. Receipt of a copy of the ADV Part 2A (Brochure) is confirmed with any new client(s) in their engagement contract.

Prospective clients are normally asked to provide the following prior to the initial meeting:

- Most recent year's income tax returns
- Brief description of assets and liabilities (or a financial statement if available)
- Brief written description of goals or special questions or matters to be covered during that session.
- Any additional data that may be relevant to the discussions.

The initial interview session generally lasts from 1 to 2 hours.

No decision is made at time of the complimentary initial meeting as to the cost, duration, or scope of services that might be provided. Prospective clients are typically contacted within several business days of the initial consultation to discuss such matters.

A written engagement letter is prepared for each client prior to commencing any specified activity. In part, this letter discusses estimated cost and duration of services as well as specific areas the client wishes to be included. Financial areas not specified in the Advisory/Engagement Letter are not included.

Generally a portion of the fee is due on signing, to pay for services in advance. Such advanced fees usually cover the first calendar quarter of services.

A signed copy of this letter is required in advance of any work and is retained on file. An electronic copy is also retained.

Investment Management

RS Crum Inc. manages client accounts on an individual basis separate from other client portfolios.

Assets or securities that are identified as Non-Managed are removed from managed accounts or designated as Non-Managed within RS Crum Inc.'s portfolio management software. Non-Managed assets are not included in the calculation of portfolio investment performance, nor does RS Crum Inc. monitor Non-Managed assets.

Clients are instructed to keep RS Crum Inc. informed of changes in their financial situation.

Assets Under Management

RS Crum Inc.'s discretionary assets under management as of June 30, 2011 were \$184,700,000.

On occasion, RS Crum Inc. is asked to help with the supervision of and reporting of accounts on a non-discretionary basis. As of June 30, 2011 such non-discretionary assets were \$500,000.

Special Investments: Trust Deeds and Real Estate Owned

In the past certain clients engaging RS Crum Inc. on an ongoing basis might have been offered the opportunity to invest in loans secured by a first trust deed on real estate. These loans were usually presented to RS Crum Inc. by a licensed real estate broker who represented the borrower.

All proposed loans were reviewed by the Firm for suitability. The due diligence process included a review of recent comparable sales for the property, a visit to the property by one of RS Crum Inc.'s Supervised Persons, and an analysis of possible "exit" strategies. RS Crum Inc. only accepted loans secured by first trust deed. Typically loans greater than a 60% loan-to-value were not accepted. Only loans deemed to be appropriate investments were recommended to clients. Each was offered in varying amounts based upon considerations including a client's liquidity and asset allocation.

RS Crum Inc. did not receive any special fee for these efforts.

RS Crum Inc. has utilized Limited Liability Company (LLC) structures in conjunction with Trust Deed loans and real estate owned. Since there are limits on the number of investors/beneficiaries that can be insured on any single loan, the TD Investment Group LLC was formed In December 2005. This made trust deed loan opportunities available to more clients.

Additionally, an LLC was formed to hold the ownership of a property that was acquired through foreclosure.

There may be investors other than the LLC in any given holding, but normally investors are clients of the firm. Supervised persons of RS Crum Inc. may also be investors in loans as well as in the LLCs.

These investments are overseen and reported by RS Crum Inc. in the same way as are other investments and/or securities. Loan values are reported by independent third party administrators.

Neither RS Crum Inc. nor an affiliated party is the manager of the LLC(s) nor does the firm receive any special compensation associated with them.

Item 5 – Fees and Compensation

RS Crum Inc. usually charges on a fixed/flat fee (retainer) basis. The Firm may charge clients on a different basis from time to time (i.e. a percentage of assets under management or hourly).

Presently, RS Crum Inc.'s minimum fee for services is \$15,000 per year. However, all fees are discussed and agreed upon with clients prior to the beginning of services.

The specific manner in which fees are charged by RS Crum Inc. is established in a client's written agreement. The Firm will generally bill its fees on a quarterly or monthly basis. Clients may be billed in arrears or in advance as determined by RS Crum Inc.

Clients may choose to have management fees paid from client account(s) by signing an authorization letter to the institution where accounts are held at each billing. In certain circumstances, RS Crum Inc. will accept the authority to bill (debit) client account(s) directly for fees. Clients are billed by The Firm on the schedule set forth in their Engagement Contract. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

RS Crum Inc.'s fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment providers and other parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus.

Such charges, fees and commissions are exclusive of and in addition to RS Crum Inc.'s fee, and RS Crum Inc. shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that RS Crum Inc. considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (e.g., commissions).

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

RS Crum Inc. does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). Therefore there are no conflicts presented in terms of side-by-side management.

Item 7 – Types of Clients

RS Crum Inc. typically provides services to high income and high net worth individuals. Frequently these individuals might also maintain ownership in other business forms such as corporations, LLC, sole proprietorships or pension and retirement plans.

Other than RS Crum Inc.'s minimum fee, no account requirement is maintained for portfolio management services (See Item 5 Fees and Compensation).

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

RS Crum Inc. manages client accounts on an individual basis utilizing an allocation model that invests in a broad spectrum of investment categories. These categories may include Cash, Bonds, Equities (stocks) and Alternative Investments.

RS Crum Inc. believes risk is better managed by creating high levels of reliable income with a more modest weighting towards capital appreciation.

Investing in securities involves risk of loss that clients 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 your evaluation of RS Crum Inc. or the integrity of the Firm's management.

Not applicable; RS Crum Inc. has no legal or disciplinary action applicable to its status and / or registration.

Item 10 – Other Financial Industry Activities and Affiliations

RS Crum Inc.'s principal business is providing investment and financial advice and its only source of compensation is from fees paid directly to the Firm by clients.

Neither RS Crum Inc., nor any of its management or other personnel, accepts commissions. Therefore, they are NOT registered as a securities broker-dealer, futures commission merchant or commodity pool operator, or commodity trading adviser.

Additionally, RS Crum Inc. does NOT pay, directly or indirectly, for client referrals or accept any other form of kickback or compensation.

Although, RS Crum Inc. is a member of several industry trade associations, it does not have any affiliations that are material to its business or present any conflict of interest with its clients.

Item 11 – Code of Ethics

RS Crum Inc. has adopted a Code of Ethics for all supervised persons of the firm describing its standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition of insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things.

All personnel at RS Crum Inc. must sign and acknowledge the terms of this Code of Ethics annually and when amended.

RS Crum Inc. and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for RS Crum Inc.'s clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of RS Crum Inc. will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities (i.e. open-end mutual funds and U.S. Government Securities) have been designated as exempt transactions, based upon a determination that trading in these would not materially interfere with the best interest of RS Crum Inc.'s clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between RS Crum Inc. and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with RS Crum Inc.'s obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. RS Crum Inc. will retain records of the trade order (specifying each

participating account) and its allocation. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

RS Crum Inc.'s clients or prospective clients may request a copy of the firm's Code of Ethics by contacting our office.

Principal Trading and Cross Transactions

RS Crum Inc. recognizes the potential for significant conflicts of interest when acting as a principal in client transactions and does not typically engage in such activity. However, on rare occasions, RS Crum Inc. may deem it appropriate and in its client's best interest to purchase a trust deed note from a client account for its own account or the account of a principal and/or affiliated person.

RS Crum Inc. acknowledges its duty to seek best execution for its clients and acknowledges that the use of principal trading is generally prohibited under Section 206(3) of the Advisers Act unless RSC is in compliance with the provisions of that section.

Therefore, RS Crum Inc. only considers a principal transaction when a client needs to sell an illiquid security and the Firm determines that it is able to provide the client with best execution. RSC's sole intent for acting as principal in a transaction is to act in the best interest of the client. Principal trades are an exception to the Firm's normal operating procedures and will be effected when it is of conspicuous advantage to the client in the absence of appropriate and comparable alternatives.

It is RS Crum Inc.'s current policy not to effect internal cross transactions for its clients (trades between client accounts). However, if it is later deemed to be in the best interests of its clients, the Firm will revisit this policy prior to a cross transaction taking place to ensure that it follows current rules regarding cross trading between client accounts at such time.

Item 12 – Brokerage Practices

RS Crum Inc. encourages the use of a discount type broker and often recommends that clients custody assets through Charles Schwab & Co., Inc. ("Schwab"). However, the client may direct the RS Crum Inc. to use a particular broker-dealer to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that broker-dealer, and RS Crum Inc. will not seek better execution services or prices from other broker-dealers or be able to "batch" client transactions for execution through other broker-dealers with orders for other accounts managed by RS Crum Inc. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to RS Crum Inc.'s duty of best execution, the firm may decline a client's request to direct brokerage if, in the

firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Client Directed Trading

RS Crum Inc. manages client accounts on a discretionary basis.

RS Crum Inc. may allow clients to hold non-managed assets in any given account. These holdings will be responsibility of the client. RS Crum Inc. does not assume any responsibility for non-managed assets.

Soft Dollar Benefits

RS Crum Inc.'s policy is to not accept any soft dollar benefits from its services and relationships.

However, custodial broker's (e.g. Charles Schwab) support of independent investment advisors might be construed to be a form of soft dollar compensation. This might 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 and assist with back-office functions, recordkeeping and client reporting and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher initial minimum.

There may be other services intended to help manage and further develop its business enterprise available.

Item 13 – Review of Accounts

Investment portfolios are normally reviewed on a bimonthly basis. However, they might be reviewed on a more frequent basis at the discretion of the Firm or based upon deposits and/or withdrawal activity, transfers, and/or significant cash build up.

Mr. Crum and Mr. Sexton review all accounts for investment changes. On occasion Mr. Rylance, Mr. Cencibaugh, and / or Mr. Theriault might be asked to assist with portfolio reviews. Mr. Crum outlines general investments changes he is considering for the other reviewers.

Periodic investment reports, Statement of Assets, are compiled by RS Crum Inc. for mailing per client agreement. Most clients receive a Statement of Assets semi annually. Some clients receive reports as frequently as quarterly. RS Crum Inc.'s Statement of Assets report contains portfolio performance for the period, portfolio value, and listing of individual securities by account.

Account statements and transaction confirmation are mailed directly to clients by independent third party administrators, institutions or custodians. RS Crum Inc. receives most duplicate statements and confirmations.

Item 14 – *Client Referrals and Other Compensation*

RS Crum Inc. does NOT pay, directly or indirectly, for client referrals or accept any other form of kickback or compensation.

Item 15 – *Custody*

It is RS Crum Inc.’s policy NOT to have custody of client accounts and/or assets.

Normally, RS Crum Inc. maintains a Limited Power Attorney on client accounts that allows the Firm to trade securities and receive duplicate statements, confirmations and account information. RS Crum Inc. does NOT have the power to open accounts on behalf of clients, withdrawal and/or transfer money from client accounts.

Clients receive (at least quarterly) statements directly from the broker dealer, bank or other qualified custodian that holds and maintains client’s account(s). RS Crum Inc. urges clients to carefully review such statements and compare such official custodial records to the account reports that RS Crum Inc. may provide.

Item 16 – *Investment Discretion*

RS Crum Inc. usually receives discretionary authority (via a Limited Power of Attorney) from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold.

Item 17 – *Voting Client Securities*

As a matter of Firm policy and practice, RS Crum Inc. does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios.

RS Crum Inc. might provide advice, if requested, regarding the clients' voting of proxies.

Item 18 – Financial Information

RS Crum Inc. 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.