

Financial Resource Management, Inc. Client Brochure

This brochure provides information about the qualifications and business practices of Financial Resource Management, Inc. If you have any questions about the contents of this brochure, please feel free to contact us at (901) 767-5755 or by email at: amy@frm-advisers.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.

Additional information about Financial Resource Management, Inc is also available on the SEC's website at www.adviserinfo.sec.gov. Financial Resource Management, Inc's CRD number is: 148305

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Registration does not imply a certain level of skill or training.

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Item 2: Material Changes

There were no material changes in this brochure from the last annual updating amendment of Financial Resource Management, Inc.

Item 3: Table of Contents

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Item 4: Advisory Business

A. Description of the Advisory Firm

This firm has been a Registered Investment Advisory firm since October 10th, 2008 (previously with the Private Consulting Group's RIA), and the principal owners are Jonathan R. Fratesi, J. Lee Greene Jr., and J. Kevin Johnston.

B. Types of Advisory Services

Financial Resource Management, Inc. (hereinafter "FRM" or "Adviser") offers the following services to advisory clients:

Investment Supervisory Services

Adviser provides both asset management services and fee based financial planning services. With respect to the asset management services, Adviser manages both discretionary and nondiscretionary accounts for its clients and executes investment recommendations in accordance with Adviser's Statement of Investment Policy. Under this authority, Adviser has authority to purchase and sell securities and instruments for the client's account, arrange for delivery and payment in connection with the foregoing, and act on behalf of a client in all matters necessary or incidental to the handling of a client's account, including monitoring certain assets. All transactions in the account shall be made in accordance with the directions and preferences client provides Adviser.

In certain instances, Adviser's services will include or be limited to the monitoring of the performance of certain investments in client's account. Adviser may recommend changes, provide the client with reports or other information, and periodically review the suitability of the investment(s) for the client. Except as otherwise instructed by client, custodian will provide client, at least quarterly, a list of all assets held in the account, asset values, and all transactions affecting the account assets, including any additions or withdrawals.

Adviser will use its best judgment and good faith efforts in rendering services to its clients. Adviser cannot warrant or guarantee any particular level of account performance, or that account will be profitable over time. Not every investment decision or recommendation made by Adviser will be profitable. Client assumes all market risk involved in the investment of the account assets under the terms of the Investment Advisory Agreement. Except as may otherwise be provided by law, Adviser will not be liable to client for (a) any loss that client may suffer by reason of any investment decision made or other action taken or omitted in good faith by Adviser with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; (b) any loss arising from Adviser's adherence to clients instructions; or (c) any act or failure to act by a custodian of clients account, except as may be required by law. Federal securities laws impose liabilities under certain circumstances on persons who act in good faith and therefore, nothing herein shall in

any way constitute a waiver or limitation of any rights which the client may have under any federal securities laws.

Selection of Other Third Party Managers

FRM may direct clients to third party money managers, such as Frontier Asset Management. This relationship will be disclosed in each contract between FRM and Frontier Asset Management. Before selecting other managers for clients, FRM will always ensure those other managers are properly licensed or registered as investment advisers. FRM does not have get any financial benefit for utilizing Frontier Asset Management (FAM).

Financial Planning

Financial planning clients will receive a summary of their assets and an estimated cash flow analysis. In addition, if requested, a review of their insurance and estate planning matters will be conducted. Financial plans may include, but are not limited to: investment planning, life insurance, tax matters, retirement planning, college planning, and debt/credit planning. These services are based on fixed fees and the final fee structure is documented in the Financial Planning Agreement.

Subscription Services

FRM provides clients with a newsletter for no additional fee. The newsletter offers a weekly update of market activities. No recommendations on purchasing and selling specific securities are made.

Services Limited to Specific Types of Investments

FRM limits its investment advice and/or money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, real estate, third party money managers, REITs, hedge funds, insurance products including annuities, private placements, and government securities. FRM may use other securities as well to help diversify a portfolio when applicable.

C. Client Tailored Services and Client Imposed Restrictions

FRM offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may not impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

D. Wrap Fee Programs

FRM does not participate in any wrap fee programs.

E. Amounts Under Management

FRM has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$67,377,695.49	\$0.00	12/31/2019

Item 5: Fees and Compensation

A. Fee Schedule

Investment Supervisory Services Fees

Total Assets Under Management	Annual Fee
All Assets Under Management	0.0% - 2.0%

These fees are negotiable and the final fee schedule is included in the Investment Advisory Agreement. Fees are paid quarterly in advance or in arrears, and clients may terminate their contracts with fourteen days' written notice. For fees that are charged in advance, refunds are given on a prorated basis, based on the number of days remaining in a quarter at the point of termination. Clients may terminate their contracts without penalty, for full refund, within five business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts with client written authorization.

Selection of Other Third Party Manager Fees

FRM may direct clients to third party money managers, Frontier Asset Management (FAM) and others(American Fund Portfolios) . This relationship will be disclosed in each contract between FRM and the third party money manager. The fee schedule for Frontier Asset Management is as follows:

AUM	FRM's Split	FAM's Fee Split
Less than \$1,000,000	1.00%	.40% + \$400
\$1,000,001 - \$3,000,000	Negotiable	.30%
\$3,000,001 - 10,000,000	Negotiable	.25%
\$10,000,001 - \$30,000,000	Negotiable	.20%
Over \$30,000,000	Negotiable	.15%

Fees are paid quarterly in advance, and clients may terminate their contracts with five days' written notice. Refunds are given on a prorated basis, based on the number of days remaining in a quarter at the point of termination.

Financial Planning Fees

Fixed Fees

Depending upon the complexity of the situation and the needs of the client, the rate for creating client financial plans is between \$1,000 and \$50,000. Fees are paid in arrears or in advance, but never more than six months in advance. Fees that are paid in advance will be refunded based on the prorated amount of work completed at the point of termination. A retainer fee may be payable prior to the commencement of work. The fees are negotiable and the final fee schedule will

be disclosed in the Financial Planning Agreement. Clients may terminate their contracts without penalty within five business days of signing the advisory contract.

Subscription Fees

FRM offers a weekly newsletter for no additional fee to clients.

B. Payment of Fees

Payment of Investment Management Fees

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid quarterly in advance or in arrears.

Payment of Financial Planning Fees

Fixed Financial Planning fees are paid via check or ACH as agreed upon in the Financial Planning Agreement.

Payment of Other Third Party Manager Fees

Other Third Party Manager fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid quarterly in advance or arrears.

Payment of Subscription Fees

FRM's weekly newsletter is offered at no additional fee to clients.

C. Clients Are Responsible For Third Party Fees

Clients are responsible for the payment of all third party fees (i.e. custodian fees, mutual fund fees, transaction fees, etc.). These fees are separate and distinct from the fees and expenses charged by FRM. Please see Item 12 of this brochure regarding broker/custodian.

D. Prepayment of Fees

FRM collects fees in advance or in arrears. For all asset based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate* times the number of days elapsed in the billing period up to and including the day of termination. (*The daily rate is calculated by dividing the annual asset-based fee by 365.)

E. Outside Compensation For the Sale of Securities to Clients

All advisers related to the RIA are also registered representatives with Arete Wealth Management, LLC. In their role as registered representatives, they accept compensation, usually in the form of commissions, for the sale of securities to FRM clients.

1. This may be a Conflict of Interest

FRM and its representatives will accept compensation for the sale of securities or other investment products, including asset based sales charges or services fees from the sale of mutual funds to its clients. This presents a potential conflict of interest and gives the representative and FRM an incentive to recommend products based on the compensation received rather than on the client's needs. When recommending the sale of securities or investment products for which FRM receives compensation, FRM will document any conflict of interest in the client file and inform the client of the conflict of interest. FRM pays Arete Wealth Advisors, LLC 10% of gross income under a revenue sharing agreement. Principals of FRM have a financial stake in Arete Wealth Advisors, LLC.

2. Clients Have the Option to Purchase Recommended Products From Other Brokers

Clients always have the option to purchase FRM recommended products through other brokers or agents that are not affiliated with FRM.

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

FRM does not accept performance-based fees or other fees based on a share of capital gains or capital appreciation of the assets of a client.

Item 7: Types of Clients

FRM generally provides investment advice and/or management supervisory services to the following types of clients:

- ❖ Individuals
- ❖ Trusts, Estates, or Charitable Organizations
- ❖ Corporations or Business Entities

Minimum Account Size

There is no account minimum.

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

A. Methods of Analysis and Investment Strategies

Advisers offer investment consulting services utilizing asset allocation models developed by the Adviser or other non-affiliated independent service providers. The services are designed to offer clients a diversified long term approach to their personal investment goals and objectives through asset allocation, re-balancing, monitoring, supervision, consolidated reporting and periodic recommendations. The focus of recommendations made by the Adviser is directed primarily toward assisting the client in a diversified portfolio of investments with the risk and return characteristics consistent with those desired by the client. This strategy may include evaluation of the client's current allocation of assets among or within various broad categories, and may involve recommendations to reposition assets more in line with the client's long term goals and objectives.

Investing in securities involves a risk of loss that the client should be prepared to bear.

B. Material Risks Involved

FRM uses long term trading, short term trading and options writing (e.g., covered calls).

FRM utilizes investment strategies that are designed to capture market rate returns and mitigate risk. Frequent trading, if done, can affect investment performance, particularly through increased brokerage and other transaction costs and income taxes. Options writing generally hold greater risk and clients should be aware that there is a chance of material risk of loss using any of those strategies.

Investing in securities involves a risk of loss that the client should be prepared to bear.

C. Risks of Specific Securities Utilized

FRM generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. Depending on the client's suitability information, a non-traded REIT, hedge fund or Private Placement may be recommended for purchase. These products are offered through our affiliated Broker-Dealer and the client is under no obligation to make such a purchase.

Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that the client should be prepared to bear.

D. Force Majeure

“Force Majeure Event” means any act of God, terrorist act, failure of utilities or other similar circumstance not within the reasonable control of FRM, but only if and to the extent that (i) such circumstance, despite the exercise of reasonable diligence, cannot be, or be caused to be, prevented, avoided or removed by FRM, and (ii) such circumstance materially and adversely affects the ability of FRM to perform its obligations to its Clients, and FRM has taken all reasonable precautions, due care and reasonable alternative measures in order to avoid the effect of such event on FRM’s ability to perform its obligations to its Clients and to mitigate the consequences thereof. FRM shall be excused from performance and shall not be in default in respect of any obligation hereunder to the extent that the failure to perform such obligation is due to a Force Majeure Event.

Item 9: Disciplinary Information

Robert J. Fratesi was involved in a settlement of an arbitration claim in excess of \$2,500 whereby a customer alleged that Mr. Fratesi provided inappropriate investment advice and made unsuitable investment recommendations between August 18, 2005 and March 4, 2008. With respect to these customer allegations, Mr. Fratesi does not admit, and specifically denies, any liability or wrongdoing. The settlement agreement entered into between the customer and Mr. Fratesi should not in any way be construed as an admission of liability. Such settlement agreement was entered into for the purpose of reducing related legal fees and reducing the time that would otherwise need to be committed to a continuation of the matter.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Investment advisers of FRM are also registered representatives of Arete Wealth Management, LLC. From time to time, they will offer clients advice or products from those activities. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. FRM always acts in the best interest of the client, including those times when there is a sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any investment adviser of FRM in their capacity as a registered representative. FRM pays Arete Wealth Advisors, LLC 10% of gross income under a revenue sharing agreement. Principals of FRM have a financial stake in Arete Wealth Advisors, LLC.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Adviser

Neither FRM nor its representatives are registered as a FCM, CPO, or CTA.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Investment advisers of FRM are also licensed insurance agents. From time to time, they will offer clients advice or products from those activities. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser.

J. Kevin Johnston is the principal owner of Resource Exchange Services, a Qualified Intermediary. The representations and activities of Resource Exchange Services are not connected to Financial Resource Management.

FRM always acts in the best interest of the client, including those times when there is a sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any adviser of FRM in their capacity as an insurance agent.

D. Selection of Other Third Party Managers and How This Adviser is Compensated for Those Selections

FRM will direct clients to third party money managers; Frequently, Frontier Asset Management (FAM) and American Funds Portfolio. FRM will be compensated via a fee share between the third party manager (see fee schedule under Selection of Other Advisers Fee). This relationship will be disclosed in each contract between FRM and FAM. The fees shared will not exceed any limit imposed by any regulatory agency. FRM will always act in the best interests of the client, including when determining which third party manager to recommend to clients.

Item 11: Code of Ethics, Participation in Transactions, Personal Trading

A. Code of Ethics

FRM has a written Code of Ethics that discusses the following: Insider Trading, Personal Securities Transactions, Conflicts of Interest, Gifts and Entertainment, Political and Charitable Contributions, Confidentiality of Client Information, Service on a Board of Directors, Compliance with Laws and Regulations, Reporting of Personal Securities Holdings and Transactions, Certification of Compliance with the Code, and Reporting Violations of the Code. FRM's Code of Ethics is available free upon request to any client or prospective client of the firm.

B. Recommendations Involving Material Financial Interests

FRM does not recommend that clients buy or sell any security in which a related person to FRM has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, advisers of FRM may buy or sell securities for themselves that they also recommend to clients. FRM will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, Advisers of FRM may buy or sell securities for themselves at or around the same time as clients. FRM will trade clients' non-mutual funds and non-ETF securities before they trade their own. FRM will always act in the best interest of the client.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

Custodians are chosen based on their relatively low transaction fees and access to mutual funds and ETFs. FRM will never charge a premium or commission on transactions, beyond the actual cost imposed by custodians.

1. Research and Other Soft-Dollar Benefits

FRM receives no research, product, or service other than transaction executions from a broker-dealer or third-party in connection with client securities transactions ("soft dollar benefits").

2. Brokerage for Client Referrals

FRM receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

FRM will not allow clients to require FRM to use a specific broker-dealer to execute transactions. Clients must use FRM recommended custodian (broker-dealer). By requiring clients to use our specific custodian, FRM may be unable to achieve the most favorable execution of client transactions and that may cost clients money over using a lower-cost custodian.

B. Aggregating (Block) Trading for Multiple Client Accounts

FRM maintains the ability to block trade purchases across accounts. While block trading may benefit clients by purchasing larger blocks in groups, we do not feel that the clients are at a disadvantage due to the best execution practices of our custodian.

Item 13: Reviews of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

The securities in every client's account will be under continuous review. Client accounts will typically be reviewed quarterly. Accounts will be reviewed by client's personal investment adviser.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by the client's investment adviser.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

C. Content and Frequency of Regular Reports Provided to Clients

Each client will receive at least a quarterly written report detailing the clients account performance, which may come from the custodian.

Clients may be provided an initial financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

FRM does not receive any economic benefit, directly or indirectly, from any third party for advice rendered to FRM clients. FRM pays Arete Wealth Advisors, LLC 10% of gross income under a revenue sharing agreement. Principals of FRM have a financial stake in Arete Wealth Advisors, LLC.

B. Compensation to Non –Advisory Personnel for Client Referrals

FRM does not, directly or indirectly, compensate any person who is not advisory personnel for client referrals.

Item 15: Custody

When it deducts fees directly from client accounts at a selected custodian, FRM will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Advisory fees withdrawn directly from clients' accounts require client written authorization. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

Item 16: Investment Discretion

For those client accounts where FRM provides ongoing investment management, FRM maintains limited power of authority over client accounts with respect to securities to be bought and sold and the amount of securities to be bought and sold. All buying and selling of securities is explained to clients in detail before an advisory relationship has commenced in the Investment Advisory Agreement.

Item 17: Voting Client Securities (Proxy Voting)

FRM will not ask for, or accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients are instructed to direct all proxy questions to the issuer of the security.

Item 18: Financial Information

A. Balance Sheet

FRM does not require nor solicit prepayment of more than \$500 in fees per client six months or more in advance and therefore does not need to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither FRM nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

FRM has not been the subject of a bankruptcy petition in the last ten years. CCO Amy Henthorn-Powell was the subject of a Bankruptcy Petition in January 2014 due to medical issues and a dramatic reduction in salary. She settled two credits card in July 2011 and August 2011.

Item 19: Requirements For State Registered Advisers

A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background

FRM currently has four management persons/executive officers; Jonathan Fratesi, J. Lee Greene Jr., J. Kevin Johnston and Amy Henthorn-Powell. Their education and business background can be found on the Supplemental ADV Part 2B form.

B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)

Other business activities for each relevant individual can be found on the individual's Form ADV Part 2B brochure supplement.

C. How Performance Based Fees are Calculated and Degree of Risk to Clients

FRM does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

D. Material Disciplinary Disclosures for Management Persons of this Firm

Robert J. Fratesi was involved in a settlement of an arbitration claim in excess of \$2,500 whereby a customer alleged that Mr. Fratesi provided inappropriate investment advice and made unsuitable investment recommendations between August 18, 2005 and March 4, 2008. With respect to these customer allegations, Mr. Fratesi does not admit, and specifically denies, any liability or wrongdoing. The settlement agreement entered into between the customer and Mr. Fratesi should not in any way be construed as an admission of liability. Such settlement agreement was entered into for the purpose of reducing related legal fees and reducing the time that would otherwise need to be committed to a continuation of the matter.

E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)

Neither FRM, nor its management persons, has any relationship or arrangement with issuers of securities.