



WRAP FEE BROCHURE

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This wrap fee program brochure (this “Brochure”) provides information about the qualifications and business practices of Verde Capital Management, Inc. (referred to in this Brochure as “us,” “we,” “our” or the “firm”). If you have any questions about the contents of this Brochure, please contact us at (248) 528-1870. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

We are a registered investment adviser. Registration of an adviser does not imply any level of skill or training.

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

SUMMARY OF MATERIAL CHANGES

In the future this Section will provide clients with a summary of any material changes from the date of our last Brochure. At that time, we will also reference the date of our last annual update of our Brochure. This Section is a new requirement under the “Amendments to Form ADV” which was published by the SEC on July 28, 2010. This Brochure dated March 28, 2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this Brochure is materially different in structure and requires certain new information that we were not required to include in our previous wrap fee program brochure. As such, we recommend that clients read our entire Brochure.

In the past we offered to deliver or have delivered information about our qualifications and business practices to clients on at least an annual basis. As required by the new SEC rules, we will ensure that clients receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our fiscal year. We may further provide other ongoing disclosure information about material changes as necessary, including a new Brochure based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Carl Szasz, President and Chief Compliance Officer at (248) 528-1870 or carlszasz@verdec.com. Our Brochure is also available on our web site www.verdec.com, also free of charge.

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

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SERVICES, FEES AND COMPENSATION

Our Services

A wrap fee program is an investment program where you would pay us, as the sponsor of the program, a single fee which covers the costs of investment management, brokerage, custody and other services provided under the program. Our program fees, minimum account requirements and additional information about our firm are described in more detail below.

Prior to engaging us to provide our services you will be required to enter into an investment advisory agreement with us setting forth the terms and conditions under which we will provide our services. We will obtain information from you about your financial situation, investment objectives and risk tolerance, by meeting with you and providing you with a questionnaire or using another method designed to obtain your relevant financial information. We provide our investment advice on a discretionary basis. Based upon your individual investment objectives, financial situation, and risk tolerance, we will recommend an initial portfolio allocation. As your financial situation, goals, objectives, or needs change, you must notify us promptly. In addition, you will have the opportunity to place reasonable restrictions on the types of investments held in your portfolio.

Our Fees

Our standard program fee is as follows:

<u>Asset Level</u>	<u>Annual Fee</u>
\$0-5,000,000	1.5%
\$5,000,000 and over	1.0%

Our standard annual fee is a percentage of the market value of the assets under our management. We charge our fee monthly in arrears, based upon the market value of the assets on the last business day of the previous calendar month as valued by the custodian, which may be adjusted for deposits and withdrawals during the month. Our fee includes brokerage commissions, transaction fees, and other related costs and expenses.

We prorate the fee for your initial month starting the day your agreement with us is executed to the end of the first month. All payments are due within the first 15 days of the month.

If you choose, you may grant us limited discretionary authority in the investment advisory agreement to bill your custodian directly and to instruct your custodian to deduct our advisory fees for our 401(k) advisory services directly from your account.

In some cases, and only when agreed upon in advance, we may absorb your termination fees when your account is being transitioned to us for management from another firm. We may, in our sole discretion, negotiate our fee based upon certain criteria (i.e., anticipated future

additional assets to be managed and/or the addition of financial planning services paid for separately.

Direct Billing to Your Custodian

You may elect to be billed directly for our fees or you may authorize us to debit our fees from your accounts. Generally, our clients authorize us under our agreement to deduct our fees directly from their account. If you provide us such authorization, the custodian's periodic statements will show each fee deduction from your account. You may withdraw this authorization for direct billing of these fees at any time by notifying your custodian or us in writing. Your custodian will not determine whether our fee is accurate or properly calculated. You are responsible for verifying the accuracy of the calculation of the management fee.

Fee Comparison

Our fee includes such services as investment management (ETF analysis and market analysis), execution of securities, the custodian's monthly reports, account servicing, and continuous account management. Participation in our program may cost you more or less than purchasing these services separately. The portfolio size and amount, number of transactions made in your account, as well as the commissions charged for each transaction, will determine the relative cost of our program versus paying for executions on a per transaction basis and paying a separate fee for advisory services. You may be able to receive services similar to those offered through our program from other investment advisers either separately or as part of a similar wrap fee program. These services or programs may cost more or less than our program, depending on the fees charged by the other service providers.

Other Fee and Charges

In addition to our fee, you may incur other fees and charges not directly related to the execution and clearing of transactions imposed by third-parties, including, but are not limited to, fees charged by your custodian, fund management and other fees imposed directly by a mutual fund purchased in your account as disclosed in the fund's prospectus, certain deferred sales charges on previously purchased mutual funds, transfer taxes, wire transfer and electronic fund fees, check writing fees, custodial termination fees, and other fees and taxes on brokerage accounts and securities transactions.

Termination

You may terminate our agreement at any time by giving us five (5) days written notice; we may terminate our agreement by providing you with five (5) days written notice. Upon termination, we prorate the fee through the date of termination and charge you any remaining balance, as appropriate. You are responsible for any cost incurred in transferring your assets from our program to a different custodial account. After our agreement is terminated, we have no further duties or obligations to you under our agreement.

ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

Account Requirements

We do not impose any conditions for starting or maintaining an investment management account, such as a minimum annual fee or account balance.

Types of Clients

We provide investment management services to individuals, high net worth individuals, trusts, estates, charitable institutions, corporations and other business entities.

PORTFOLIO MANAGER SELECTION AND EVALUATION

Advisory Business

We are the portfolio manager for all accounts in our program. We offer financial planning services including, but not limited to, investment planning, retirement planning, estate planning, charitable planning, education planning, business planning, and asset protection planning. If you would like us to provide you with financial planning services, we enter into a separate written agreement with you setting forth the terms and conditions of our engagement, describing the scope of our services to be provided, and our fee. In addition, we provide investment advice to retirement plan participants outside of our program.

For additional information regarding these services, and our fees, contact Carl Szasz, our President and Chief Compliance Officer, at (248) 528-1870 or carlszasz@verdecmm.com to receive a copy of Part 2A of our Form ADV.

Performance-Based Fees and Side-By-Side Management

We do not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of your assets).

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

We utilize fundamental analysis to evaluate investments. Fundamental analysis is a technique that attempts to determine a security's value by focusing on the economic well-being of a financial entity as opposed to only its price movements. When conducting fundamental analysis, we will review a company's financial statements and consider factors including, but not limited to, whether the company's revenue is growing, if the company is profitable, if the company is in a strong enough position to beat its competitors in the future, and if the company is able to repay its debts. Because it can take a long time for a company's value to be reflected in the market, the risk associated with this method of analysis is that a gain is not realized until the stock's market price rises to the company's true value.

The valuation method is a technique used to calculate a theoretical value for a security in order to estimate potential future market prices. When utilizing the valuation method, we will review such things as a security's earnings per share, price to earnings and growth rate.

We also utilize technical analysis to evaluate potential investments. Unlike fundamental analysis, technical analysis does not analyze the company's value, but instead analyzes the stock's price movement in the market. Charting is a form of technical analysis in which the various technical factors are diagrammed in order to illustrate patterns. Technical analysis studies the supply and demand in the market in an attempt to determine what direction, or trend, will continue in the future. However, there are risks involved with this method, including the risk that the trends will change unpredictably, which is why we use a combination of methods and obtain information from a variety of sources.

We obtain information from a number of sources, both public and by purchase, including research materials prepared by third-parties, corporate rating services, annual reports, prospectuses and filings with the SEC and company press releases. We believe these resources for information are reliable and regularly depend on these resources for making our investment decisions; however, we are not responsible for the accuracy or completeness of this information.

Investment Strategies

We use a variety of investment strategies depending on your circumstances, financial objectives and needs. We may recommend implementing one or more of the following investment strategies: long-term purchases (held at least a year), short term purchases (held less than a year), trading (held less than 30 days), margin transactions (purchase of a security on credit extended by a securities company), and option writing (selling an option) or a combination of these strategies to help you meet your investment objectives.

We may recommend implementing these strategies using mutual funds (held directly or held within variable annuities or life insurance products), exchange traded funds and other types of investments. We often recommend mutual funds of different kinds to promote portfolio diversification within various asset classes, such as industry sectors, domestic/international, or equities/bonds. We may recommend periodic purchases, sales, and exchanges of those mutual fund shares within mutual fund families and between different mutual fund families when there are changes in your needs, market conditions, or economic developments.

Types of Investments and Risk of Loss

We offer advice about a wide variety of investment types, including mutual funds, index funds, exchange traded funds ("ETFs"), international securities and variable annuities, each having different types and levels of risk. We will discuss these risks with you in determining the investment objectives that will guide our investment advice for your account. We will explain and answer any questions you have about these kinds of investments, which present special considerations such as the following.

Investing in securities involves risk of loss that you should be prepared to bear. Obtaining higher rates of return on investments typically entails accepting higher levels of risk. We work with you to attempt to identify the balance of risks and rewards that is appropriate and comfortable for you. However, it is still your responsibility to ask questions if you do not fully understand the risks associated with any investment or investment strategy.

International investments may involve risk of capital loss from unfavorable fluctuations in currency exchange rates, differences in generally accepted accounting principles, or economic or political instability in other nations.

Also, while we strive to render our best judgment on your behalf, many economic and market variables beyond our control can affect the performance of your investments and we cannot assure you that your investments will be profitable or assure you that no losses will occur in your investment portfolio. Past performance is one relatively important consideration with respect to any investment or investment advisor, but it is not a predictor of future performance.

Mutual Funds, Index Funds and Exchange-Traded Funds

Mutual funds and ETFs typically charge their shareholders various advisory fees and expenses associated with the establishment and operation of the funds. These fees will generally include a management fee, shareholder servicing, other fund expenses, and sometimes a distribution fee. If the fund also imposes sales charges, you may pay an initial or deferred sales charge. These separate fees and expenses are disclosed in each fund's current prospectus, which is available from the fund or we can provide it to you upon request.

Consequently, for any type of fund investment, it is important for you to understand that you are directly and indirectly paying two levels of advisory fees and expenses: one layer of fees at the fund level and one layer of advisory fees and expenses to us. Generally speaking, most mutual funds may be purchased directly, without using our services and without incurring our advisory fees.

Voting Client Securities

As a matter of firm policy and practice, we will not be responsible for responding to proxies that are solicited with respect to annual or special meetings of shareholders of securities held in your account. Proxy solicitation materials will be forwarded to you by your custodian for response and voting.

CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

We are the sponsor and the portfolio manager of the wrap fee program. You should notify us promptly if your financial situation or investment objectives change. You may contact us at (248) 528-1870.

CLIENT CONTACT WITH PORTFOLIO MANAGERS

As a portfolio manager of a wrap fee program, we must inform you if there are any restrictions placed on your ability to contact us. You may contact us at (248) 528-1870. Our normal business hours are 9:00 a.m. to 5:00 p.m. Monday through Friday.

ADDITIONAL INFORMATION

Disciplinary Information

As a registered investment adviser, we must inform you of all material facts regarding any legal or disciplinary events that would be material to your evaluation of our firm or the integrity of our management. We have no legal or disciplinary events to disclose.

Other Financial Industry Activities and Affiliations

As a registered investment adviser, we must disclose information regarding our business activities, other than giving investment advice, our other activities in the financial industry, and any arrangements with related persons that are material to our advisory business or clients. We are also required to disclose if we receive cash or other economic benefits from a third-party in connection with advising our clients.

Ms. Tommi Haden is a licensed insurance agent and owner of Verde Insurance Agency. In her individual capacity, she may recommend the purchase of certain insurance products. A conflict of interest exists to the extent that we recommend the purchase of insurance products where she receives insurance commissions or other additional compensation. However, to mitigate this conflict, if you decide to implement our recommendation to purchase insurance products you are not required to purchase insurance through Ms. Haden and you may purchase insurance products through another insurance agent of your choice.

Code of Ethics

We have adopted a Code of Ethics (the “Code”) describing the standards of business conduct we expect all officers, directors, employees, and advisory representatives to follow. The Code also describes certain reporting requirements with which particular individuals associated with or employed by us must comply. We will provide a copy of the Code to you upon request.

Our principals and representatives will often own the same securities we recommend to you or our other clients. Generally, these securities will be shares of open ended mutual funds or stocks and bonds actively traded on a national securities exchange or market where the time and size of their purchases or sales will not affect transactions for you or our other clients. If we do recommend the purchase or sale of a thinly traded security to you, we will ensure that our principals’ and representatives’ transactions do not adversely affect you nor improperly benefit them, typically by completing our principals’ and representatives’ transactions after all your and other client transactions have been made. Orders for your account and our own accounts may sometimes be aggregated or “batched” into one large order. If we aggregate an order for

securities transactions, it will be on a portfolio basis such that all accounts invested in accordance with the same portfolio will be traded in a block trade. Aggregated orders may achieve better execution for all participating accounts and those benefits will be fairly allocated among all participating accounts. Each account that participates in an aggregated order will participate at the average share price for all transactions ordered by us in that security on a given business day.

You may request a copy of our Code by contacting our President, Carl Szasz at (248) 528-1870 or carlszasz@verdecmm.com.

Review of Accounts

The frequency and triggering factors for internal account reviews depend upon the services we provide to you. We are available to meet with you on a quarterly basis to review your account. Carl Szasz and Tommi Haden share responsibility for the reviews.

Generally, we review portfolios in our wrap fee program on a quarterly basis. We will rebalance your account taking into consideration market conditions as well as your goals and objectives. We will provide investment reports and research papers to you during our meetings. Unless otherwise agreed upon, you will receive electronically, at least quarterly, account statements from your custodian which will reflect account balances, transactions and our advisory fees.

If we provide investment management services for your retirement assets held with a plan sponsor, we will review your account with your authorization using your personal identification number. We do not provide reports regarding these investments to you. However, your retirement plan sponsor will provide you an account specific statement for your portion of the plan assets at least quarterly.

You must contact us when a real or potential change in your financial condition occurs so we can review the portfolio along with your new information to ensure the investment strategies continue to be appropriate.

Client Referrals and Compensation

We must inform you if we receive an economic benefit from a third party, who is not a client, for providing investment advice or other advisory services to our clients. We are also required to disclose whether we compensate anyone who is not a supervised person of our firm for client referrals. We do not receive any such benefits or have any referral or solicitation arrangements.

Financial Information

As a registered investment adviser, we must provide you with certain financial information or disclosures about our financial condition if we have financial commitments that impair our ability to meet contractual and fiduciary commitments to you. We have not been the subject

of a bankruptcy proceeding and do not have any financial commitments that would impair our ability to meet any contractual or fiduciary commitments to you.

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