
Miles Brown Asset Management, LLC

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Form ADV Part 2A – Firm Brochure

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Dated March 12, 2018

This Brochure provides information about the qualifications and business practices of Miles Brown Asset Management, LLC, “Miles Brown”. If you have any questions about the contents of this Brochure, please contact us at (707) 595-8702. 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.

Miles Brown Asset Management, LLC is registered as an Investment Adviser with the State of California. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about Miles Brown is available on the SEC’s website at www.adviserinfo.sec.gov which can be found using the firm’s identification number 283960.

Item 2: Material Changes

Since our last filing dated January 26, 2017, no material changes have occurred.

Item 3: Table of Contents

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Item 4: Advisory Business

Description of Advisory Firm

Miles Brown Asset Management, LLC is registered as an Investment Adviser with the State of California. We were founded in May 12, 2016. Daniel M. Brown is the principal owner of Miles Brown. As of December 31, 2017, we manage \$22,000,000 on a discretionary basis and \$0.00 on a non-discretionary basis.

Types of Advisory Services

Investment Management Services

We are in the business of managing individually tailored investment portfolios. Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy or an investment plan with an asset allocation target and create and manage a portfolio based on that policy and allocation target. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. We may also review and discuss a client's prior investment history, as well as family composition and background.

Account supervision is guided by the stated objectives of the client (e.g., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. This service is provided on both a discretionary and non-discretionary basis. Fees pertaining to this service are outlined in Item 5 of this brochure.

Financial Planning

Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. The key defining aspect of financial planning is that through the financial planning process, all questions, information and analysis will be considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service will receive a written or an electronic report, providing the client with a detailed financial plan designed to achieve his or her stated financial goals and objectives.

The client always has the right to decide whether or not to act upon our recommendations. If the client elects to act on any of the recommendations, the client always has the right to effect the transactions through anyone of their choosing.

In general, the financial plan will address any or all of the following areas of concern. The client and advisor will work together to select the specific areas to cover. These areas may include, but are not limited to, the following:

- **Business Planning:** We provide consulting services for clients who currently operate their own business, are considering starting a business, or are planning for an exit from their current business. Under this type of engagement, we work with you to assess your current situation, identify your objectives, and develop a plan aimed at achieving your goals.
- **Cash Flow and Debt Management:** We will conduct a review of your income and expenses to determine your current surplus or deficit along with advice on prioritizing how any surplus should be used or how to reduce expenses if they exceed your income. Advice may also be provided on which debts to pay off first based on factors such as the interest rate of the debt and any income tax ramifications. We may also recommend what we believe to be an appropriate cash reserve that should be considered for emergencies and other financial goals, along with a review of accounts (such as money market funds) for such reserves, plus strategies to save desired amounts.
- **College Savings:** Includes projecting the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways for you to save the desired amount. Recommendations as to savings strategies are included, and, if needed, we will review your financial picture as it relates to eligibility for financial aid or the best way to contribute to grandchildren (if appropriate).
- **Employee Benefits Optimization:** We will provide review and analysis as to whether you, as an employee, are taking the maximum advantage possible of your employee benefits. If you are a business owner, we will consider and/or recommend the various benefit programs that can be structured to meet both business and personal retirement goals.
- **Estate Planning:** This usually includes an analysis of your exposure to estate taxes and your current estate plan, which may include whether you have a will, powers of attorney, trusts and other related documents. Our advice also typically includes ways for you to minimize or avoid future estate taxes by implementing appropriate estate

planning strategies such as the use of applicable trusts.

We always recommend that you consult with a qualified attorney when you initiate, update, or complete estate planning activities. We may provide you with contact information for attorneys who specialize in estate planning when you wish to hire an attorney for such purposes. From time-to-time, we will participate in meetings or phone calls between you and your attorney with your approval or request.

- **Financial Goals:** We will help clients identify financial goals and develop a plan to reach them. We will identify what you plan to accomplish, what resources you will need to make it happen, how much time you will need to reach the goal, and how much you should budget for your goal.
- **Insurance:** Review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **Investment Analysis:** This may involve developing an asset allocation strategy to meet clients' financial goals and risk tolerance, providing information on investment vehicles and strategies, reviewing employee stock options, as well as assisting you in establishing your own investment account at a selected broker/dealer or custodian. The strategies and types of investments we may recommend are further discussed in Item 8 of this brochure.
- **Retirement Planning:** Our retirement planning services typically include projections of your likelihood of achieving your financial goals, typically focusing on financial independence as the primary objective. For situations where projections show less than the desired results, we may make recommendations, including those that may impact the original projections by adjusting certain variables (e.g., working longer, saving more, spending less, taking more risk with investments).

If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.

- **Risk Management:** A risk management review includes an analysis of your exposure to major risks that could have a significantly adverse effect on your financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning. Advice may be provided on ways to minimize such risks and about

weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance (“self-insuring”).

- **Tax Planning Strategies:** Advice may include ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, we may make recommendations on which type of account(s) or specific investments should be owned based in part on their “tax efficiency,” with consideration that there is always a possibility of future changes to federal, state or local tax laws and rates that may affect your situation.

We recommend that you consult with a qualified tax professional before initiating any tax planning strategy, and we may provide you with contact information for accountants or attorneys who specialize in this area if you wish to hire someone for such purposes. We will participate in meetings or phone calls between you and your tax professional with your approval.

Client Tailored Services and Client Imposed Restrictions

We offer the same suite of services to all of our clients. However, specific client financial plans and their implementation are dependent upon a 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.

Wrap Fee Programs

We do participate in wrap fee programs. Please see our wrap brochure for more information.

CCR Section 260.235.2 Disclosure

For clients who receive our Financial Planning services, we must state when a conflict exists between the interests of our firm and the interests of our client. The client is under no obligation to act upon our recommendation. If the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through our firm.

Item 5: Fees and Compensation

Please note, unless a client has received the firm’s disclosure brochure at least 48 hours prior to signing the investment advisory contract, the investment advisory contract may be terminated

by the client within five (5) business days of signing the contract without incurring any advisory fees and without penalty. How we are paid depends on the type of advisory service we are performing. Please review the fee and compensation information below.

Investment Management Services

Our standard advisory fee is based on the market value of the household assets under management and is calculated as follows:

Account Value	Annual Advisory Fee
Less than \$499,999	2.00%
\$500,000 - \$999,999	1.50%
\$1,000,001 - \$1,999,999	1.25%
\$2,000,000 - \$2,999,999	1.00%
\$3,000,000 - \$5,000,000	0.75%
\$5,000,000 and Above	0.60%

The annual fees are negotiable and are pro-rated and paid in advance on a quarterly basis. No increase in the annual fee shall be effective without agreement from the client by signing a new agreement or amendment to their current advisory agreement.

Advisory fees are directly debited from client accounts, or the client may choose to pay by check. Accounts initiated or terminated during a calendar quarter will be charged a pro-rated fee based on the amount of time remaining in the billing period.

Accounts initiated or terminated during a calendar quarter will be charged a pro-rated fee based on the amount of time remaining in the billing period. An account may be terminated with written notice at least 15 calendar days in advance. Upon termination of the account, any unearned fee will be refunded to the client.

Financial Planning

Depending on the client's needs and goals, we offer two choices when selecting our financial planning services.

Hourly

Clients may choose to pay hourly, for more limited scope engagements. Our fee for this service is an hourly rate of \$250.00 per hour. The fee may be negotiable in certain cases and is due at the completion of the engagement. In the event of early termination by client, any fees for the hours already worked will be due.

Fixed Fee

Clients may also choose our Financial Planning on a fixed fee basis. The fixed fee will be agreed upon before the start of any work. The fixed fee can range between \$2,500.00 and \$5,000.00, depending on the scope and complexity of our engagement. If a fixed fee program is chosen, we may request half of the fee is due at the beginning of process and the remainder to be due within 30 days of the completion of work. However, Miles Brown will not bill an amount above \$500.00 more than 6 months in advance. In the event of early termination, the client will be billed for the hours worked at a rate of \$250.00 per hour. If the initial deposit is greater than the amount billed, then the client will be refunded the difference. If the initial deposit is less, then the client will be billed the difference.

For all our financial planning clients, Miles Brown reserves the discretion to waive or reduce our financial planning and consulting fees for clients who choose to utilize our asset management services. All our fees are negotiable. Clients will be invoiced directly for financial planning and consulting services if fees are not deducted from a specified advisory account.

Other Types of Fees and Expenses

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses that may be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as 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 fund 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 our fee, and we shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that we consider in selecting or recommending broker-dealers for client's transactions and determining the reasonableness of their compensation (e.g., commissions).

We do not accept compensation for the sale of securities or other investment products including asset-based sales charges or service fees from the sale of mutual funds.

CCR Section 260.238(j) Disclosure

Please note, lower fees for comparable services may be available from other sources.

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

We do not offer performance-based fees.

Item 7: Types of Clients

We provide financial planning and portfolio management services to individuals, high net-worth individuals, trusts and estates.

We do not have a minimum account size requirement.

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

Our primary methods of investment analysis are fundamental, technical and charting analysis.

Fundamental analysis involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience, and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Technical analysis involves using chart patterns, momentum, volume, and relative strength in an effort to pick sectors that may outperform market indices. However, there is no assurance of accurate forecasts or that trends will develop in the markets we follow. In the past, there have been periods without discernible trends and similar periods will presumably occur in the future. Even where major trends develop, outside factors like government intervention could potentially shorten them.

Furthermore, one limitation of technical analysis is that it requires price movement data, which can translate into price trends sufficient to dictate a market entry or exit decision. In a trendless or erratic market, a technical method may fail to identify trends requiring action. In addition, technical methods may overreact to minor price movements, establishing positions contrary to

overall price trends, which may result in losses. Finally, a technical trading method may underperform other trading methods when fundamental factors dominate price moves within a given market.

Charting analysis involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends. Charts may not accurately predict future price movements. Current prices of securities may not reflect all information about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Passive Investment Management

We primarily practice passive investment management. Passive investing involves building portfolios that are comprised of various distinct asset classes. The asset classes are weighted in a manner to achieve a desired relationship between correlation, risk and return. Funds that passively capture the returns of the desired asset classes are placed in the portfolio. The funds that are used to build passive portfolios are typically index mutual funds or exchange traded funds.

Passive investment management is characterized by low portfolio expenses (i.e. the funds inside the portfolio have low internal costs), minimal trading costs (due to infrequent trading activity), and relative tax efficiency (because the funds inside the portfolio are tax efficient and turnover inside the portfolio is minimal).

In contrast, active management involves a single manager or managers who employ some method, strategy or technique to construct a portfolio that is intended to generate returns that are greater than the broader market or a designated benchmark. Academic research indicates most active managers underperform the market.

Material Risks Involved

All investing strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear. Many of these risks apply equally to stocks, bonds, commodities and any other investment or security. Material risks associated with our investment strategies are listed below.

Market Risk: Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition.

Interest Rate Risk: Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

Risks Associated with Securities

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

Common stocks may go up and down in price quite dramatically, and in the event of an issuer's bankruptcy or restructuring could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks.

Corporate Bonds are debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on such factors as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the greater its interest rate risk.

Bank Obligations including bonds and certificates of deposit may be vulnerable to setbacks or panics in the banking industry. Banks and other financial institutions are greatly affected by interest rates and may be adversely affected by downturns in the U.S. and foreign economies or changes in banking regulations.

Municipal Bonds are debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Municipal bonds pay a lower rate of return than most other types of bonds. However, because of a municipal bond's tax-favored status, investors should compare the relative after-tax return to the after-tax return of other bonds, depending on the investor's tax bracket. Investing in municipal bonds carries the same general risks as investing in bonds in general. Those risks include interest rate risk, reinvestment risk, inflation risk, market risk, call or redemption risk, credit risk, and liquidity and valuation risk.

Exchange Traded Funds prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected.

Investment Companies Risk. When a client invests in open end mutual funds or ETFs, the client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, many of which may be duplicative. In addition, the client’s overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives). ETFs are also subject to the following risks: (i) an ETF’s shares may trade at a market price that is above or below their net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF’s shares may be halted if the listing exchange’s officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide “circuit breakers” (which are tied to large decreases in stock prices) halts stock trading generally. The Adviser has no control over the risks taken by the underlying funds in which clients invest.

Item 9: Disciplinary Information

Criminal or Civil Actions

Miles Brown and its management have not been involved in any criminal or civil action.

Administrative Enforcement Proceedings

Miles Brown and its management have not been involved in administrative enforcement proceedings.

Self-Regulatory Organization Enforcement Proceedings

Miles Brown and its management have not been involved in legal or disciplinary events that are material to a client’s or prospective client’s evaluation of Miles Brown or the integrity of its management.

Item 10: Other Financial Industry Activities and Affiliations

No Miles Brown employee is registered, or have an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor.

Miles Brown only receives compensation directly from clients. We do not receive compensation from any outside source. We do not have any conflicts of interest with any outside party.

Daniel M. Brown is licensed to sell life and health insurance and may engage in product sales with our clients, for which he will receive additional compensation. Any commissions received through life or health insurance sales do not offset advisory fees the client may pay for advisory services under Miles Brown.

Daniel M. Brown is registered as a registered representative and investment advisor representative (IAR) with LPL Financial, LLC and an IAR with PFG Advisors, LLC. As such, Daniel M. Brown, in these separate capacities, will be able to effect securities transactions, offer advisory services and/or purchase insurance and insurance-related investment products (insurance) for your account, for which he will receive separate and customary compensation. While Daniel M. Brown endeavors at all times to put the interest of our clients first as part of our firm's fiduciary duty, you should be aware that the receipt of additional compensation itself creates a conflict of interest and may affect their judgment when making recommendations.

Disclosure of Material Conflicts

All material conflicts of interest under CCR Section 260.238(k) are disclosed regarding MILES BROWN, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

As a fiduciary, our firm and its associates have a duty of utmost good faith to act solely in the best interests of each client. Our clients entrust us with their funds and personal information, which in turn places a high standard on our conduct and integrity. Our fiduciary duty is a core aspect of our Code of Ethics and represents the expected basis of all of our dealings. The firm accepts the obligation not only to comply with the mandates and requirements of all applicable laws and regulations but also to take responsibility to act in an ethical and professionally responsible manner in all professional services and activities.

Code of Ethics Description

This code does not attempt to identify all possible conflicts of interest, and literal compliance with each of its specific provisions will not shield associated persons from liability for personal trading or other conduct that violates a fiduciary duty to advisory clients. A summary of the Code of Ethics' Principles is outlined below.

- Integrity - Associated persons shall offer and provide professional services with integrity.
- Objectivity - Associated persons shall be objective in providing professional services to clients.
- Competence - Associated persons shall provide services to clients competently and maintain the necessary knowledge and skill to continue to do so in those areas in which they are engaged.
- Fairness - Associated persons shall perform professional services in a manner that is fair and reasonable to clients, principals, partners, and employers, and shall disclose conflict(s) of interest in providing such services.
- Confidentiality - Associated persons shall not disclose confidential client information without the specific consent of the client unless in response to proper legal process, or as required by law.
- Professionalism - Associated persons' conduct in all matter shall reflect credit of the profession.
- Diligence - Associated persons shall act diligently in providing professional services.

We periodically review and amend our Code of Ethics to ensure that it remains current, and we require all firm access persons to attest to their understanding of and adherence to the Code of Ethics at least annually. Our firm will provide of copy of its Code of Ethics to any client or prospective client upon request.

Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

Neither our firm, its associates or any related person is authorized to recommend to a client, or effect a transaction for a client, involving any security in which our firm or a related person has a material financial interest, such as in the capacity as an underwriter, adviser to the issuer, etc.

Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

Our firm and its "related persons" do not invest in the same securities, or related securities, e.g., warrants, options or futures, which we recommend to clients.

Trading Securities at/Around the Same Time as Client's Securities

Because our firm and its "related persons" do not invest in the same securities, or related securities, e.g., warrants, options or futures, which we recommend to clients, we do not trade in securities at or around the same time as clients.

Item 12: Brokerage Practices

Factors Used to Select Custodians and/or Broker-Dealers

We recommend custodians based on the reputation and services provided by the firm. We recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a FINRA-registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab as custodian, you will decide whether to do so and open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you.

Products and Services Available to Us from Schwab

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Here is a more detailed description of Schwab's support services:

Services that Benefit You. Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

Services that May Not Directly Benefit You. Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;

- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

Services that Generally Benefit Only Us. Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

1. Research and Other Soft-Dollar Benefits

We currently do not receive soft dollar benefits from our recommended custodians.

2. Brokerage for Client Referrals

We receive 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

We do recommend a specific custodian for clients to use, however, clients may custody their assets at a custodian of their choice. Clients may also direct us to use a specific broker-dealer to execute transactions. By allowing clients to choose a specific custodian, we may be unable to achieve most favorable execution of client transaction and this may cost clients' money over using a lower-cost custodian.

Aggregating (Block) Trading for Multiple Client Accounts

Generally, we combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion, regarding particular circumstances and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays

a proportionate share of all transaction costs. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

Item 13: Review of Accounts

Client accounts with the Investment Management Service will be reviewed regularly on a quarterly basis by Daniel M. Brown, CEO and CCO. The account is reviewed with regards to the client's investment policies and risk tolerance levels. Events that may trigger a special review would be unusual performance, addition or deletions of client imposed restrictions, excessive draw-down, volatility in performance, or buy and sell decisions from the firm or per client's needs.

Clients will receive trade confirmations from the broker(s) for each transaction in their accounts as well as monthly or quarterly statements and annual tax reporting statements from their custodian showing all activity in the accounts, such as receipt of dividends and interest.

Miles Brown will provide written reports to Investment Management clients on a quarterly basis. We urge clients to compare these reports against the account statements they receive from their custodian.

Item 14: Client Referrals and Other Compensation

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices). The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

We do not receive any compensation, directly or indirectly from any third party for advice rendered to our clients. Nor do we directly or indirectly compensate any person who is not advisory personnel for client referrals.

Item 15: Custody

Miles Brown does not accept custody of client funds. Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. We urge you to carefully review such statements and compare such official custodial records to the account statements or reports that we may provide to you. Our statements or reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

For client account in which Miles Brown directly debits their advisory fee:

- i. Miles Brown will send a copy of its invoice to the custodian at the same time that it sends the client a copy.
- ii. The custodian will send at least quarterly statements to the client showing all disbursements for the account, including the amount of the advisory fee.
- iii. The client will provide written authorization to Miles Brown, permitting them to be paid directly for their accounts held by the custodian.

Item 16: Investment Discretion

For those client accounts where we provide investment management services, they have the choice for us to provide this service on either a discretionary or non-discretionary basis. In the case of discretion, we maintain discretion over client accounts with respect to securities to be bought and sold and the amount of securities to be bought and sold. Investment discretion is explained to clients in detail when an advisory relationship has commenced. At the start of the advisory relationship, the client will execute a Limited Power of Attorney, which will grant our firm discretion over the account. Additionally, the discretionary relationship will be outlined in the advisory contract and signed by the client. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Item 17: Voting Client Securities

We do not vote Client proxies. Therefore, Clients maintain exclusive responsibility for: (1) voting proxies, and (2) acting on corporate actions pertaining to the Client's investment assets. The Client shall instruct the Client's qualified custodian to forward to the Client copies of all proxies and shareholder communications relating to the Client's investment assets. If the client would like our opinion on a particular proxy vote, they may contact us at the number listed on the cover of this brochure.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward you any electronic solicitation to vote proxies.

Item 18: Financial Information

Registered Investment Advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients, and we have not been the subject of a bankruptcy proceeding.

We do not have custody of client funds or securities or require or solicit prepayment of more than \$500 in fees per client six months in advance.

Item 19: Requirements for State-Registered Advisers

Daniel M. Brown

Born: 1980

Educational Background

- 2005 – Political Science, Sonoma State University
- 2015-2016, Certificate of Financial Planning, UCLA Extension

Business Experience

- 07/2016 – Present, Miles Brown Asset Management, LLC, CEO and CCO
- 09/2012 – Present, LPL Financial, LLC, Financial Advisor
- 06/2015 – Present, PFG Advisors, LLC (PFG/Priority Financial Group), Financial Advisor
- 12/2015 – Present, PFG Advisors, LLC (PFG/Priority Financial Group), Relationship Manager
- 03/2011 – 09/2012, Wells Fargo Advisors, Financial Advisor
- 10/2008 – 03/2011, JP Morgan Chase Investment Services, Financial Advisor

Other Business Activities

Daniel M. Brown is also employed as a Relationship Manager with PFG, Priority Financial Group, a financial advisor firm in Arizona. Mr. Brown spends approximately 20 hours a week on this activity.

Daniel M. Brown is licensed to sell life and health insurance and may engage in product sales with our clients, for which he will receive additional compensation. Any commissions received through life or health insurance sales do not offset advisory fees the client may pay for advisory services under Miles Brown. This activity takes up approximately 10% of his time.

Daniel M. Brown is registered as a registered representative and investment advisor representative (IAR) with LPL Financial, LLC and an IAR with PFG Advisors, LLC. As such, Daniel M. Brown, in these separate capacities, will be able to effect securities transactions, offer advisory services and/or purchase insurance and insurance-related investment products (insurance) for your account, for which he will receive separate and customary compensation. While Daniel M. Brown endeavors at all times to put the interest of our clients first as part of our firm's fiduciary duty, you should be aware that the receipt of additional compensation itself

creates a conflict of interest and may affect their judgment when making recommendations. Mr. Brown devotes about 30 hours a month on this activity.

Performance Based Fees

Miles Brown is not compensated by performance-based fees.

Material Disciplinary Disclosures

No management person at Miles Brown Asset Management, LLC has ever been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, or administrative proceeding.

Material Relationships That Management Persons Have with Issuers of Securities

Miles Brown Asset Management, LLC, nor Daniel M. Brown, have any relationship or arrangement with issuers of securities.

Miles Brown Asset Management, LLC

703 Second Street, Suite 410

Santa Rosa, CA 95404

Telephone: (707) 595-8702

Fax: (707) 595-8703

Website: www.milesbrown.com

Dated March 12, 2018

Form ADV Part 2B – Brochure Supplement

For

Daniel M. Brown

CEO, and Chief Compliance Officer

This brochure supplement provides information about Daniel M. Brown that supplements the Miles Brown Asset Management, LLC (“Miles Brown”) brochure. A copy of that brochure precedes this supplement. Please contact Daniel M. Brown if the Miles Brown brochure is not included with this supplement or if you have any questions about the contents of this supplement.

Additional information about Daniel M. Brown is available on the SEC’s website at www.adviserinfo.sec.gov which can be found using the identification number 4743534.

Item 2: Educational Background and Business Experience

Daniel M. Brown

Born: 1980

Educational Background

- 2005 – Political Science, Sonoma State University
- 2015-2016, Certificate of Financial Planning, UCLA Extension

Business Experience

- 07/2016 – Present, Miles Brown Asset Management, LLC, CEO and CCO
- 09/2012 – Present, LPL Financial, LLC, Financial Advisor
- 06/2015 – Present, PFG Advisors, LLC (PFG/Priority Financial Group), Financial Advisor
- 12/2015 – Present, PFG Advisors, LLC (PFG/Priority Financial Group), Relationship Manager
- 03/2011 – 09/2012, Wells Fargo Advisors, Financial Advisor
- 10/2008 – 03/2011, JP Morgan Chase Investment Services, Financial Advisor

Item 3: Disciplinary Information

No management person at Miles Brown Asset Management, LLC has ever been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, or administrative proceeding.

Item 4: Other Business Activities

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he will receive separate and customary compensation. While Daniel M. Brown endeavors at all times to put the interest of our clients first as part of our firm's fiduciary duty, you should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect their judgment when making recommendations. Mr. Brown devotes about 30 hours a month on this activity.

Daniel M. Brown is also employed as a Relationship Manager with PFG, Priority Financial Group. Mr. Brown spends approximately 20 hours a week on this activity.

Item 5: Additional Compensation

Daniel M. Brown does not receive any economic benefit from any person, company, or organization, in exchange for providing clients advisory services through Miles Brown.

Item 6: Supervision

Daniel M. Brown, as CEO and Chief Compliance Officer of Miles Brown, is responsible for supervision. He may be contacted at the phone number on this brochure supplement.

Item 7: Requirements for State Registered Advisers

Daniel Brown has NOT been involved in an arbitration, civil proceeding, self-regulatory proceeding, administrative proceeding. Daniel Brown has been the subject of a bankruptcy petition. In November 2013, Mr. Brown filed for bankruptcy. The decision to discharge a debt through bankruptcy is not a by-product of mismanagement of personal finances. A former employer won an arbitration hearing against Mr. Brown for leaving their firm prematurely. After the firm refused to negotiate in a reasonable settlement, Mr. Brown was left with little choice other to discharge the financial judgment through the court system. This is not a circumstance of Mr. Brown mismanaging his personal finances. He is currently making the required payments to the bankruptcy trustee.