

Part 2A of Form ADV: Firm *Brochure*

Item 1 Cover Page

April 11, 2012

This brochure provides information about the qualifications and business practices of Grossman Financial Management. If you have any questions about the contents of this brochure, please contact us at (707) 745-8756 and/or lawrence@grossmanfinancial.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 Grossman Financial Management also is available on the SEC's website at www.adviserinfo.sec.gov.

Our Name and Address:

Grossman Financial Management
940 Adams Street, Suite L
Benicia, CA 94510

Our Contact Information:

Larry Grossman
(707) 745-8756
(707) 745-8723
lawrence@grossmanfinancial.com
www.grossmanfinancial.com

Item 2 Material Changes

This item describes any material changes to our brochure we must tell you about.

There are material changes to Items 2 and 4 since our last Firm Brochure, dated April 15, 2011. If you have questions about any of the information, please contact us. We are only referencing material changes here, not minor ones.

Item 3 Table of Contents

This item shows a table of contents for this document.

Page Number

Item 1	Cover Page	1
Item 2	Material Changes	1
Item 3	Table of Contents	2
Item 4	Advisory Business	3
Item 5	Fees and Compensation	3
Item 6	Performance-Based Fees and Side-By-Side Management	4
Item 7	Types of Clients	4
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss	4
Item 9	Disciplinary Information	6
Item 10	Other Financial Industry Activities and Affiliations	6
Item 11	Code of Ethics, Participation or Interest in <i>Client</i> Transactions and Personal Trading	6
Item 12	Brokerage Practices	6
Item 13	Review of Accounts	7
Item 14	Client Referrals and Other Compensation	7
Item 15	Custody	7
Item 16	Investment Discretion	7
Item 17	Voting <i>Client</i> Securities	8
Item 18	Financial Information	8
Item 19	Requirements for State-Registered Advisers	8

Item 4 Advisory Business

This item gives you information about our advisory business.

We are an SEC Registered Investment Adviser (RIA)* and are “notice filed” (licensed or certificated) by the State of California Department of Corporations.

* Note: Registration and RIA do not imply a certain level of skill or training.

We began business as an investment adviser in January 1998.

The amount of non-discretionary client assets we were managing as of 12/31/11 was 6 accounts totaling \$ 1,503,135 and the amount of discretionary client assets we were managing on that date was 449 accounts totaling \$ 90 973 640.

We give advice concerning the following types of investments (in general):

Stocks and bonds listed on an exchange or traded over-the counter, foreign securities, corporate debt, commercial paper, variable insurance products, US government securities, options on securities and commodities, futures in both tangibles and intangibles, limited partnerships investing in real estate or in oil and gas interests, municipal bonds, certificates of deposit and mutual funds

We may furnish investment supervisory services and other similar services to you in the following manner (subject to your prior acceptance): We will monitor your situation at least monthly throughout the year and call you as necessary. We will also review your accounts and call you quarterly and meet with you annually to go into your situation in greater depth.

We will furnish investment advice or financial plans through consultations. The first meeting will be free, as it is essentially a fact-finding session. In all cases you will have the option of agreeing to or not agreeing to the fee before work is undertaken on your behalf. We will use other professionals as necessary in working for you, with your prior approval.

We may furnish advice regarding securities through speaking engagements.

You are under no obligation to act on our recommendations. Furthermore, if you elect to act on any of our recommendations, you are under no obligation to effect any transactions through us, through any particular broker-dealer or through any associated person.

We may take a limited power of attorney from you to execute transactions.

Item 5 Fees and Compensation

This item gives you information about the fees or other compensation we may receive from you or from others in connection with or as a result of giving you investment advice.

Client will be billed investment supervisory services at the beginning of each quarter. The compensation rate is based on the following Yearly Fee Schedule for Asset Allocation Service (prorated quarterly and based on the assets at the end of the last period; the rate for the highest asset balance is used for all the charge):

Account Balance	Account Base	Rate on Amount Base Fee	Over Base
Up to \$ 250,000		\$ 2,750	
\$ 250,001 to \$ 500,000	\$ 250,000	\$ 2,750	0.83%
\$ 500,001 to \$ 750,000	\$ 500,000	\$ 4,375	0.66%
\$ 750,001 to \$ 1,000,000	\$ 750,000	\$ 6,450	0.49%
\$ 1,000,001 to \$ 1,500,000	\$ 1,000,000	\$ 7,675	0.33%
\$ 1,500,001 to \$ 2,000,000	\$ 1,500,000	\$ 9,325	0.22%
Over \$ 2,000,000	\$ 2,000,000	\$ 10,425	0.11%

We will furnish investment advice or financial plans through consultations. The first meeting will be free, as it is essentially a fact-finding session. In all cases you will have the option of agreeing to or not agreeing to the fee before work is undertaken on your behalf.

The fees we charge for investment advice or financial plans through consultations will either be a fixed fee or an hourly fee. Hourly fees will be in the range of \$250. Charges will also include any out-of-pocket expenses, and will be payable 50% at the beginning of the engagement and the balance when the advice or plan is presented.

Either party may terminate a contract at any time by written notice to the other delivered either personally or by mail. You will receive a refund pro-rated by days for services. You will receive a full refund if dissatisfied with our work. Otherwise, if you cancel at your own option, upon receipt of a written explanation of the reason, you would receive a pro-rata refund for any work not done. In either case, you will be charged for our out-of-pocket expenses. Upon termination, we will summarize all work done, and you shall have access to work done up to that point. Refund does not apply for speaking engagements.

Fees are not negotiable. All fees are subject to change. We will give you sixty day's notice of any fee change.

We do not have any dollar minimums or other requirements for accepting investment advisory accounts.

You may pay additional fees to others in connection with your investments, such as 12b-1 and other mutual fund expenses, brokerage and other transaction costs to the executing broker, custodial fees and so on.

You do not have to use our advice or the brokers or custodians we suggest but may use other brokers to purchase products.

(Please also see Item 12 for additional information.)

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

This item discusses whether we charge any Performance-Based Fees and, if we do, the procedures we have set up to protect you.

We do not charge Performance-Based Fees

Item 7 Types of Clients

This item tells you about the types of clients to whom we give investment advice.

We provide investment advice to individuals (including high net worth individuals), pension and profit sharing plans, trusts and estates.

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

This item discusses the way we analyze securities investments, the investment strategies we use in suggesting investments for you and the risk of loss you may incur in making investments.

We may use fundamental analysis or technical analysis in looking at your accounts. One of the reasons that we utilize more than one type of analysis is to reduce risks induced by utilizing only one type of analysis (see discussion of risk below).

Every type of investment analysis has its drawbacks and risks (see discussion of risk above). So does each type of investment strategy. Many of the risk factors discussed below apply to the various types of analysis and strategy.

In general, the investment strategies we use to implement any investment advice that we give to you might include either long term purchases (securities held at least a year), short-term investments (securities sold within a year) or option writing.

There is always a risk of loss connected with investing. This is true whether you are investing in securities or in other types of investments. You, as an investor, should be prepared to accept this risk. One way to lessen this risk is to diversify your investments. Part of our job as your investment advisor is to help you understand and manage this risk.

Below is a discussion of some types of risk that you may encounter in securities investing:

Credit risk

The value of bonds is in part a function of the credit worthiness of the issuer. Changes in the issuer's credit worthiness can result in changes in the market value of the bonds.

Economic risk

The state of the nation's or the world's economy may change drastically and that may well affect your investments.

Foreign exchange risk.

If you invest in a foreign security, you will be subject to risk associated with the changing international value of the US dollar as well as the value of the foreign currency associated with the investment.

Inflation Risk

Investors typically are locked into the interest rate paid on bonds. If inflation should rise, the after inflation return on bonds can be negatively affected.

Interest rate risk.

If you are investing to realize a certain amount of income and that income stream is dependent on the investment paying a certain interest, changing conditions may affect that interest rate and your income from that investment. If rates in the market rise, the underlying market value of existing bonds can decline. If you decide to sell a bond before maturity, this could result in a loss of principal value.

Liquidity risk.

The ability to sell in the open market requires a buyer. If you can't find a buyer for it when you want to sell it, it is illiquid at that point and you may not be able to liquidate it for current intrinsic value.

Management risk

If you are investing and utilize the services of a manager, there is no guarantee that the investment manager's decisions regarding investment techniques, risk analysis and other matters will produce the desired results that you are seeking.

Market risk.

In making an investment you are usually betting that the market will behave in a way that will be to your advantage. However, market conditions are unpredictable and your desired result may not necessarily occur. Losses may occur.

Revenue Risk

Bonds, such as municipal bonds, that are dependent on revenue streams from specific projects such as toll roads and bridges may rely on the ability of the project to meet debt servicing obligations. Some projects are not successful in this regard and that may result in some forms of loss for investors in such bonds.

Item 9 Disciplinary Information

This item discusses any disciplinary events that have involved this firm.

There have been no disciplinary problems involving our firm or any of our firm's personnel.

Item 10 Other Financial Industry Activities and Affiliations

This item discusses any other financial industry activities and associations of us or of our executive officers.

Our only business is giving investment advice.

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

This item refers to our Code of Ethics and how you may obtain a copy.

We have a Code of Ethics that requires all of our personnel to conduct business with the highest level of ethical standards, keeping in mind at all time our fiduciary duties to you and our other clients. This means we have a duty to exercise our authority and responsibility for the benefit of you and our other clients, to place your interests and those of our other clients first. We will not disclose any nonpublic personal information about you to any nonaffiliated third party unless you expressly give permission to us to do so.

We and our personnel will not attempt to defraud, make any untrue statement of a material fact, omit to state a material fact necessary in order to make a statement true, engage in any fraudulent or deceitful act, practice or course of business or engage in any manipulative practices. We will disclose potential and actual conflicts of interest to you.

We shall only recommend those investments that we have a reasonable basis for believing are suitable for you, based upon your particular situation and circumstances.

Our Chief Compliance Officer will be responsible for supervising the activities of all our personnel by establishing procedures to prevent and detect violations of the law, analyzing our operations and controls to ensure compliance with securities laws, ensuring that all our advisory personnel fully understand the our policies and procedures, establishing policies and procedures governing personal security transactions, and establishing an annual review system to assure that the our policies and procedures are effective and are being followed.

We will provide a copy of our Code of Ethics to any client or prospective client upon request.

Item 12 Brokerage Practices

This item discusses the way we handle brokerage activities for you and our other clients.

We suggest discount brokers for the services we provide for you based upon the size of commission discounts when compared to full service brokers, and our opinion of the relative quality of service, types of reports and other materials furnished to you and to us by the brokers, and the stability afforded by the recommended broker's financial condition and general reputation in the investment community. You are under no obligation to act on any recommendation of ours, and further, are under no obligation to effect any trades through any broker-dealer, but may choose any broker-dealer you wish to handle trades for you.

Item 13 Review of Accounts

This item describes how we review your accounts and any reports you may receive.

Your accounts will be under continuous review and will typically be reviewed in detail each month. Your accounts will be reviewed by our owner, Lawrence I. Grossman. Additionally, reviews may be triggered by material market, economic or political events, or by changes in your financial situation. We pay particular attention to tax issues related to your accounts. Your accounts also are reviewed for compliance with your investment policy.

We recommend client-advisor meetings at least every six months to review in detail your accounts and investment strategy. Our review will cover as much area as you and we feel indicated under the circumstances, but normally may include the following items: tax and estate planning, insurance, investments, pensions and profit-sharing, possibly real estate, etc.

We utilize state of the art computer and communications resources to manage your accounts and to generate accurate, meaningful and user-friendly reports for your use. The work is done solely by us. We provide you with client reports every six months or more often at your request-

You also receive monthly, quarterly and yearly reports on your accounts from your broker-dealer (stock broker).

Item 14 Client Referrals and Other Compensation

This item discusses any compensation we may receive for referring you to other investment advisers or any other compensation we may receive from persons other than yourself for giving you investment advice.

We do not have any arrangements to refer clients to other investment advisers or other service providers.

We do not compensate anyone for referrals of clients to us.

We do not receive compensation from any source other than directly from our clients.

Item 15 Custody

This item reveals any types of custody we may have or may accept in the future.

Under no circumstances will we take custody of funds, securities or any other of your assets.

Item 16 Investment Discretion

This item discusses any types of investment discretion we may have or may accept to make securities trades for you.

We may obtain from you limited powers of attorney to affect certain types of trades, subject to limitations specified by you. For such trades we will direct the execution of the trades unless the limited power of attorney expressly designates some other arrangement.

Item 17 Voting Client Securities

This item discusses our policy regarding voting proxies or other matters concerning your securities.

We do not vote proxies for your securities and do not advise you regarding such voting. You should arrange to vote your own proxies.

Usually the transfer agent of the company issuing the security will send proxy materials or other solicitations directly to you. In some cases, they will send those materials to your custodial broker. If you do not receive these materials directly and wish to do so, you can contact the issuer's investor services department or the custodial broker to request that information. If you need help in obtaining these materials or have any questions, please contact us and we will be happy to assist you in obtaining those materials or answers to those questions.

Item 18 Financial Information

This item shows any financial information we must provide to you.

There are no factors that require us to provide any financial information under this item.

Item 19 Requirements for State-Registered Advisers

This item discusses any types of disciplinary problems that involve us or our employees, and certain other information required by state securities authorities.

There have been no disciplinary problems involving us or any of our personnel.

Lawrence I. Grossman is our owner and Chief Compliance Officer.

(Please see Form ADV, Part 2B for Lawrence I. Grossman.)

Part 2B of Form ADV: *Brochure Supplement*

Item 1 Cover Page

April 11, 2012

This item lists information about our firm and names the person about whom this supplement is written.

This Brochure Supplement is for Lawrence I. Grossman.

Our Name and Address:

Grossman Financial Management
940 Adams Street, Suite L
Benicia, CA 94510

Our Contact Information:

Larry Grossman
(707) 745-8756
(707) 745-8723 (fax)
lawrence@grossmanfinancial.com
www.grossmanfinancial.com

Item 2 Educational Background and Business Experience

This item lists my education and my business experience.

Lawrence I. Grossman

Education:

1969 - 1972	University of California Santa Barbara, CA	Economics BA Degree
1972 - 1975	Johns Hopkins Univ., S,A,I.S. Washington, DC	International Economics MA Degree
1978 - 1980	Columbia University New York, NY	Politics MPhil Degree
1981 - 1982	University of Pennsylvania, The Wharton School, Phil., PA	Finance MBA Degree
1993 - 1995	The College for Financial Plan. Denver, CO	Financial Planning CFP® Certificate
1995 - 2002	The American College, Philadelphia, PA	Financial Planning CLU Certificate
2003 - 2003	The Center for Fiduciary Studies @ Univ. of Pittsburgh	Accredited Investment Fiduciary

Business Background:

1992 - 1995	Cigna Financial Advisors San Francisco, NY	Financial Advisor
1996 - 1997	American Express Financial Advisors Walnut Creek, CA	Financial Advisor
1998 - 2003	Financial Telesis Corporation Benicia, CA	Registered Principal
1998 - Pres.	Grossman Financial Management Benicia, CA	Owner, Advisor

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;

Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;

Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and

Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and.

Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Item 3 Disciplinary Information

This item discusses any disciplinary problems connected with me.

There have been no disciplinary problems involving me.

Item 4 Other Business Activities

This item lists other businesses in which I am involved.

I am involved in no other businesses.

Item 5 Additional Compensation

This item discusses any compensation in addition to investment advisory fees that I may receive in connection with giving investment advice to you.

I do not receive any other compensation other than from you directly for giving you investment advice.

Item 6 Supervision

This item gives you information about the company's supervision of my investment advisory activities.

The investment adviser firm supervises all my activities for them. If you have any questions or concerns, please contact me, Lawrence I. Grossman, the Chief Compliance Officer, at (707) 745-8756 or (707) 745-8723 (fax) or by email at lawrence@grossmanfinancial.com.

Item 7 Requirements for State-Registered Advisers

This item discusses any types of disciplinary problems that involve me and certain other information that may be required by state securities authorities

There are no disciplinary items concerning me and there is no other state-required information required to be shown here.

Part 2B of Form ADV: Brochure Supplement

Item 1 Cover Page

April 11, 2012

This item lists information about our firm and names the person about whom this supplement is written.

This Brochure Supplement is for Frances E. Harkins.

Our Name and Address:

Grossman Financial Management
940 Adams Street, Suite L
Benicia, CA 94510

Our Contact Information:

Larry Grossman
(707) 745-8756
(707) 745-8723 (fax)
lawrence@grossmanfinancial.com
www.grossmanfinancial.com

Item 2 Educational Background and Business Experience

This item lists my education and my business experience.

Frances E. Harkins

Education:

1977 – 1981	University of California Santa Barbara, CA	Bachelor of Arts, Business Economics, 1981 (Foreign study included in UCSB program above.)
1979 – 1980	Universidad Complutense de Madrid Madrid, Spain	(Foreign study included in UCSB program above.)
1981 – 1983	University of California Santa Barbara, CA	Master of Arts, Economics, 1983
1981 – 1982	Universidad Automatica de Nuevo Leon Monterrey, Mexico, CA	(Foreign study included in UCSB program above.)

Business Background:

1983 – 1986	Bank of America Long Beach, CA	Loan Officer, Private Banking
1986 - 1994	Office of Thrift Supervision San Francisco, CA	Analyst
1994 – 2000	N/A Benicia, CA	Homemaker
2000 - 2001	Prudential Insurance Walnut Creek, CA	Financial Planner
2000 - 2001	Pruco Securities Corporation Walnut Creek, CA	Financial Planner
2001 - 2001	Prudential Securities Incorporated Walnut Creek, CA	Financial Planner, Financial Advisor
2001 – 2003	Financial Telesis, Inv. Larkspur, CA	Registered Representative
2001 - Pres.	Grossman Financial Management Benicia, CA	Investment Advisor Representative

Item 3 Disciplinary Information

This item discusses any disciplinary problems connected with me.

There have been no disciplinary problems involving me.

Item 4 Other Business Activities

This item lists other businesses in which I am involved.

Real estate owner, with husband, of 35 apartment units and houses.

I serve on the local Board of Directors of the Benicia Chamber of Commerce and Soroptimist, both nonprofit organizations.

Item 5 Additional Compensation

This item discusses any compensation in addition to investment advisory fees that I may receive in connection with giving investment advice to you.

I do not receive any other compensation other than from you directly for giving you investment advice.

Item 6 Supervision

This item gives you information about the company's supervision of my investment advisory activities.

The investment advisor firm supervises all my activities for them. If you have any questions or concerns, please contact Lawrence I. Grossman, the Chief Compliance Officer, at (707) 745-8756 or (707) 745-8723 (fax) or by email at lawrence@grossmanfinancial.com.

Item 7 Requirements for State-Registered Advisers

This item discusses any types of disciplinary problems that involve me and certain other information that may be required by state securities authorities

There are no disciplinary items concerning me and there is no other state-required information required to be shown here.