

## Item 1 Cover Page

Part 2A of Form ADV

Firm Brochure

Disciplined Investment Management LLC

Phone: (847) 602-6485

Date: March 12, 2012

This brochure provides information about the qualifications and business practices of Disciplined Investment Management LLC. If you have any questions about the contents of this brochure, please contact us at (847) 602-6485. 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 Disciplined Investment Management LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

Please note that registration as an investment advisory firm does not imply a certain level of skill or training.

## **Item 2      Material Changes**

There are no material changes since our last filing dated March 31, 2011.

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## **Item 4      Advisory Business**

### **About the Firm**

Disciplined Investment Management, LLC offers investment advisory services including investment supervisory services and financial planning to you, our clients. More information about these services and the fees associated with these services is contained in this brochure.

We commenced business in 2010. Our owners are Lawrence Stein and Susan Stein.

### **Description of Advisory Services**

#### ***Investment Supervisory Services***

We primarily invest in diversified portfolios of exchange-traded funds (ETFs) and mutual funds to meet your return objectives and risk profiles. We focus on asset allocation and risk management, adhering to a series of disciplines designed to mitigate downside risk and preserve capital.

This is intended to be a proactive approach – we seek to manage risk through disciplines constructed to preserve capital and outperform the market through the full course of a bull/bear cycle. We believe the key to long-term outperformance is through prudent participation in bull markets and effective capital preservation during bear markets.

After an analysis of the information you provide, we will assist you in developing an appropriate investment strategy for the assets in your account.

Our investment methodology is risk-oriented and your account is typically invested into a variety of exchange traded funds and mutual funds. Thereafter, you will be contacted periodically and requested to provide us with information regarding changes to your financial situation or investment objectives impacting your Investment Policy Statement. We will periodically reassess the account based on any other information you provide.

You are encouraged to contact or meet, at least annually with us to comprehensively review your account performance, update your personal financial information, and determine whether changes should be made to your account. There are no restrictions on your ability to contact or consult with us about your account.

We manage client assets. As of December 31, 2011, our discretionary assets under management were \$18,500,000.

#### ***Financial Planning Services***

We offer financial planning and consulting services, regarding the management of your financial resources based upon an analysis of your individual needs. We will advise on matters involving investments and non-investment related topics.

Financial Planning service is available to all clients and there is no minimum net worth requirement for you to elect to request financial planning services.

Financial Planning services are offered in conjunction with investment management services and there is no separate fee for Financial Planning. Because this service is offered along with our investment management services, and at no charge, clients do not sign an additional investment advisory agreement when receiving these services.

Areas addressed may include the following facets of financial planning as described below:

**Financial planning and analysis:** This service is designed to review key facets of your investment and financial situation, including but not limited to income sources and amounts, investments and savings, and retirement plans.

**Retirement Planning:** Retirement planning involves advice toward your goals, as well as an analysis of current investments, asset allocation, and risk management.

Asset Allocation: This involves advice with respect to asset allocation, investment accumulation and asset distribution strategies. Evaluations are made of existing investments in terms of their economic and tax characteristics as well as their suitability for meeting your objectives.

Financial planning services are conducted during meetings with you, generally lasting 1-2 hours. During this process, changes, improvements and recommendations are made. The typical time spent on a financial plan ranges from two to four hours. The items may include any one or more of the services listed above. The amount of time spent will depend on the complexity of the request.

Once all pertinent information has been collected, reviewed, and analyzed, a printed financial plan designed to achieve your stated financial goals and objectives may be produced and presented to you. The primary objective of this process is to enable us to assist you in developing a strategy for the successful management of income, assets and liabilities in meeting your financial goals and objectives.

Financial plans are based on your financial situation at the time the plan is presented and are based on financial information disclosed by you to us. You are advised that certain assumptions may be made with respect to interest and inflation rates and use of past trends and performance of the market and economy. Past performance is in no way an indication of future performance. We cannot offer any guarantees or promises your financial goals and objectives will be met. As your financial situation, goals, objectives, or needs change, the client must notify us promptly.

You may act on our recommendations by placing securities transactions with any brokerage firm you choose. You are under no obligation to act on our financial planning recommendations. Moreover, if you elect to act on any of the recommendations, you are under no obligation to implement the financial plan through us.

## **Item 5 Fees and Compensation**

We charge advisory fees for our investment supervisory services. The fee schedule for this service is as follows:

<b><u>Portfolio Value</u></b>	<b><u>Annual Fee</u></b>
First \$1,000,000	1.00%
Next \$2,000,000	0.50%
Any additional invested assets	0.25%

This fee is exclusive of (a) all commissions and other Portfolio transaction charges and any charge relating to the custody of securities in the Portfolio; (b) any advisory and other management fees and expenses described in the investments in the Portfolio that are paid by mutual funds or ETFs but are ultimately borne by the investor. We do not share in any third-party transaction fees, charges or commissions.

Our fee is negotiable, at our discretion.

You may make additions to and withdrawals from the Account at any time, subject to our right to terminate an Account. You may withdraw account assets on notice to us, subject to the usual and customary securities settlement procedures. However, we design our portfolios as long-term investments and asset withdrawals may impair the achievement of your investment objectives.

Our Advisory agreement and your agreement with the Custodian will authorize the Custodian to deduct the advisory fee from your account and remit it directly to us. In arrangements where the fee is deducted directly from your account, we will instruct the Custodian to send you a statement, at least quarterly, indicating all amounts disbursed from their account, including the amount of the advisory fee debited from the account. We will also send you a statement showing the calculation of the fee on a quarterly basis.

The Adviser may amend this Explanation of Fees upon thirty (30) days' notice to the Client.

The Adviser does not prepare any accounting or legal documents for implementation of the financial plan. Any fees incurred for such professional services are the sole responsibility of the Client.

### ***Other Information about Advisory Fees***

Any commission charges, transaction charges, custodial fees, or other account maintenance fees are to be paid by you and are in addition to our fees.

We manage client assets utilizing exchange-traded funds (ETFs) and mutual funds. ETFs and mutual funds may charge operating expenses, management fees or other costs that are not reflected in the advisory fee we charge. This fee is ultimately borne by you as a shareholder. A complete description of all fees and expenses are in the relevant prospectuses. Our fees on the value of such assets could be avoided by the client directly investing into these funds.

## **Item 6 Performance-Based Fees and Side-by-Side Management**

We do not accept performance-based fees.

## **Item 7 Types of Clients**

We typically work with individuals, high net worth individuals, retirement accounts and other businesses.

We have set a minimum dollar value of investible assets of \$1,000,000 for starting an investment management account. This amount is negotiable at our discretion.

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

Investment is subject to risk, and you could lose money. You should be prepared to bear this risk before investing.

The value of the portfolio will move with some level of correlation to the broad U.S. equity market. Stocks in the U.S. equity market move up and down in reaction to changes in U.S. and foreign economic conditions, U.S. and foreign political environments, tax policies, interest rates, currency exchange rates, investor's perceptions, market liquidity, etc. There is no guarantee that investment decisions we make will produce the desired results. International investments may carry risks above and beyond that of the U.S. domestic equity market.

We use the following methods of security analysis:

- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
- Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
- Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

- Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)

We use the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)

Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy will be profitable or equal any specific performance level(s). Our methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks.

Our primary investment strategies - Long Term Purchases, Short Term Purchases, and Trading - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, involves a very short investment time period but will incur higher transaction costs when compared to a short-term investment strategy and substantially higher transaction costs than a longer term investment strategy.

## **Item 9      Disciplinary Information**

Neither Disciplined Investment Management, LLC., nor Larry Stein has been involved in any events that are material to a client's or prospective client's evaluation of us or the integrity of its management.

## **Item 10     Other Financial Industry Activities or Affiliations**

We have no affiliations or activities other than those described in this document.

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

Associated persons may buy or sell for their own accounts the same securities recommended to you. They may do so at the same time as they, or a related person, buy or sell the same securities for their own account. Associated persons seek to ensure that they do not personally benefit from the short-term market effects of their recommendations to you. We request information about all of our associate's transactions and monitor them for any wrongdoing.

Associated persons are aware of the rules regarding material non-public information and insider trading. Associated persons may also buy or sell a specific security for their own account based on personal investment considerations, which the Advisor does not deem appropriate to buy or sell for clients.

We have adopted a Code of Ethics to instruct our personnel in their ethical obligations and to provide rules for their personal securities transactions. The Firm and our personnel owe a duty of loyalty, fairness and good faith to their clients, and the obligation to adhere not only to the specific provisions of the code but also to the general principles that guide the Code. The Code covers a range of topics including general ethical principles, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code, review and enforcement processes, amendments to Form ADV and supervisory procedures. We will provide a copy of the Code to any client or prospective Client upon request.

## **Item 12 Brokerage Practices**

We do not receive any research or other products or services other than execution from a broker-dealer or third party in connection with your securities transactions. Nor do we receive any client referrals from a broker-dealer or third party.

We typically recommend that clients establish brokerage accounts with Fidelity Institutional, (“Fidelity”) a registered broker-dealer, member FINRA/SIPC, to maintain custody of your assets and to effect trades for your accounts. We are independently owned and operated and not affiliated with Fidelity. Fidelity provides us with access to its institutional trading and custody services.

Fidelity also makes available to us other products and services that benefit us but may not your accounts. Some of these other products and services assist us in managing and administering your accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of our fees from your accounts; and assist with back-office functions, recordkeeping and client reporting.

While as a fiduciary, we endeavor to act in our clients’ best interests, and our recommendation that you maintain your assets in accounts at Fidelity may be based in part on the benefit to us of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Fidelity, which may create a potential conflict of interest. We are satisfied that Fidelity offers you the best custodial services for our management services and not based on that conflict of interest. We do have to address this potential conflict but we can add another sentence similar to the one I put in here.

For our client accounts maintained in its custody, Fidelity generally does not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Fidelity or that settle into Fidelity accounts. We do not share in the commissions charged to you.

We may “bunch” buy or sell orders for two or more clients into a single large order, and place the bunched order with a single broker or dealer for execution. We are not obligated to place all transactions on a “bunched” basis. When determining whether to “bunch” orders, we rely on the judgment of the CCO as to what course of action is likely to be fair and in the best interests of the relevant accounts on an overall basis. That is, we seek to avoid putting any client account at an advantage or disadvantage compared to our other client accounts that are buying or selling the same security.

Block trading is permitted where the following conditions are met:

Orders of two or more clients may be bunched only if we have determined, on an individual basis that the securities order is:

1. In the best interests of each client participating in the order;
2. Consistent with our duty to obtain best execution; and
3. Consistent with the terms of the investment Advisory agreement of each participating client.

When conducting a block trade, we will determine the accounts that will participate, and the specific allocations in advance of the transaction. If the entire order is filled, you will receive your portion of the allocation specified on the trade ticket. All allocations are prior to the close of business on trade date. Client accounts participating in the transaction will receive the weighted average price of the security and will pay a trading cost.

Our books and records separately reflect, for each client for whom an order is bunched, the securities held by, purchased, and sold for that client.

### **Item 13 Review of Accounts**

Accounts are reviewed no less than quarterly by Lawrence Stein, Member of Disciplined Investment Management LLC. Accounts may be reviewed more often as requested by clients or if deemed necessary by market or other factors.

You will receive quarterly reports from the custodian of their assets as applicable. We may provide clients with additional reports at its sole discretion.

### **Item 14 Client Referrals and Other Compensation**

We do not pay anyone for client referrals for our accounts.

### **Item 15 Custody**

We have custody of client funds in that we deduct fees from your accounts. The custodian of your assets sends quarterly statements directly to you. You should carefully review those statements.

### **Item 16 Investment Discretion**

We request that you give us discretionary authority to manage your accounts by signing our Client Agreement. You may place reasonable restrictions on the types of securities or on specific securities that we may purchase or sell.

### **Item 17 Voting Client Securities**

We do not vote proxies on your behalf. You retain that right unless you make other arrangements with the custodian of your assets. You will receive proxies or other solicitations directly from the custodian of your assets. You may contact us with questions about proxies.

## **Item 18 Financial Information**

We have no financial condition that is reasonably likely to impair our ability to meet contractual commitments to you.

## **Item 19 Requirements for State-Registered Advisers**

*This information is provided for our management person, Larry Stein.*

Larry Stein is the President and founder of Disciplined Investment Management LLC. The author of the book, Value Investing, Larry recently completed a book about retirement investing. He has been involved in the financial services industry for over thirty years. Previously, Larry was Director of Portfolio Management for Coe Capital Management, and was a portfolio manager for The Bensman Group. Earlier in his career, Larry consulted with CEOs and CFOs of NYSE and NASDAQ companies on strategic communications with institutional investors and analysts. Larry began his career as a CPA/tax specialist with Grant Thornton and Deloitte Touche. He graduated with a Bachelor of Science degree in Accountancy from the University of Illinois in 1978 and a Master's of Science degree in Taxation from DePaul University in 1980. Larry lives in the northern suburbs of Chicago with his wife and children, and was formerly the President of The Board of Jewish Education of Metropolitan Chicago.

Name: Lawrence Mark Stein

Year of Birth: 1956

Education after high school:

Bachelor of Science degree in Accountancy from the University of Illinois in 1978

Master's of Science degree in Taxation from DePaul University in 1980

Business Background for past five years:

2008- 2010: Director of Portfolio Management for Coe Capital Management, LLC, Lincolnshire, IL

2004 – 2008: Portfolio Manager for The Bensman Group, Bannockburn, IL

## Brochure Supplement

Part 2B of Form ADV

Firm Brochure

Disciplined Investment Management LLC

Phone: (847) 602-6485

Date: March 31, 2011

### Item 1 Cover Page

This brochure supplement provides information about Lawrence Stein that supplements our brochure. Please contact us at (847) 602-6485 if you did not receive Disciplined Investment Management LLC's brochure or if you have any questions about the contents of this supplement.

### Item 2 Educational Background and Business Experience

Name: Lawrence Mark Stein

Year of Birth: 1956

Education after high school:

Bachelor of Science degree in Accountancy from the University of Illinois in 1978

Master's of Science degree in Taxation from DePaul University in 1980

Business Background for past five years:

2008- 2010: Director of Portfolio Management for Coe Capital Management, LLC, Lincolnshire, IL

2004 – 2008: Portfolio Manager for The Bensman Group, Bannockburn, IL

### Item 3 Disciplinary Information

Mr. Stein is not subject to any material legal or disciplinary event.

### Item 4 Other Business Activities

Mr. Stein has no other business activities.

### Item 5 Additional Compensation

There are no such issues to be disclosed.

### Item 6 Supervision

The person responsible for supervision is Lawrence Stein, member and Chief Compliance Officer. He supervises himself. You may contact him at (847) 602-6485 with any concerns.