

ANNUAL BROCHURES - 2011

REGAN INVESTMENTS, INC.

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This brochure provides information about the qualifications and business practices of Regan Investments, Inc. If you have any questions about the contents of this brochure, please contact us. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about Regan Investments, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

Any terms herein as "registered investment adviser" or "registered" do not imply a certain level of skill or training.

This brochure includes the following material changes from our previous annual brochure:

Our office has moved - please see above for our new address
Our fee structure has changed for new accounts - shown below

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Part 2B

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PART 2A

1. ADVISORY BUSINESS

Regan Investments, Inc. (RII) has been in business since 2002; and predecessor companies since 1967. Our principal owners are Robert M. Regan, Jr. and Robert M. Regan.

Current client assets - as of 12/31/10 we are managing discretionary assets of approx. \$47.4 million, and non-discretionary assets of approx. \$7 million.

CONDITIONS FOR MANAGING ACCOUNTS

RII does not place any conditions on starting or maintaining accounts. There is no minimum account size requirement, however, an optimum account size that would benefit most from RII's services would be \$100,000 or more. Accounts may be placed in mutual funds (which may also incur separate management fees charged by the funds) instead of individual stocks/bonds.

SUPERVISORY SERVICES (discretionary management) – no minimum account size:

RII provides investment supervisory services (defined as “giving continuous investment advice to a client and/or making investments for the client based on the individual needs of the client which include, for example, the nature of the client's other assets and the client's personal and family obligations”) in the form of discretionary money management, wherein the client gives RII full and exclusive authority to manage the client's assets in accordance with what RII deems to be in the client's best interest. Client's may impose restrictions, either verbally or in writing, on specific securities or types of securities or industries that they do not wish RII to invest in for their accounts. Discretionary money management comprises approximately 90% of RII's business.

Non-discretionary advisory services, which do not include discretionary money management, are also available on a limited basis. RII also, on occasion, furnishes investment advice by consultations, financial planning services, and investment-related administrative services.

2. FEES

For its services under this Agreement, the Client agrees to pay RII's money management fees quarterly in advance based upon the value of assets in the Account on the initial appraisal date and each subsequent quarterly appraisal date; and further authorizes RII to arrange for payment of RII's fees directly from the Account (unless otherwise stated) no sooner than the first day of the following period in accordance with the following schedule, subject to a \$500.00 minimum:

<u>Account Type</u>	<u>Annual Fee</u>
Equity and Mutual Fund	1.50% on first \$500,000, 1.00% on next \$1,500,000, 0.75% on next \$3,000,000, 0.50% on amounts over \$5,000,000 Larger accounts negotiable
Aggressive Growth	3.00% on all assets
Futures/Options	1.00% plus 20% per quarter of profits over past end-of-quarter high-water mark*
Fixed Income	Negotiable

Existing clients that are under a previous fee schedule may retain that schedule until there is a mutually agreed change, and family members of existing clients may also "inherit" an older fee schedule, based upon account type and other factors.

The Client and RII further agree to the following with respect to fees:

- (a) When computing the money management fee, the value of the Account's assets shall be the market value or, in the absence of a market value, the fair value as determined by RII.
- (b) If the Account is terminated by either party under the terms of this Agreement, RII's compensation as described above shall be calculated and payable on a pro-rata basis for the period for which RII has served as an advisor hereunder.
- (c) Additions or subtractions to/from a futures/options account may only be effected at the end of any calendar quarter.
- (d) Fees may be charged on a pro-rata basis on quarterly interim additions to your account of more than \$5,000.00.
- (e) Fees paid in advance may not be refunded in the event of partial or full withdrawal.

In addition to our management fees, clients may incur brokerage commissions on trades and/or mutual fund fees, and broker custodian fees. Please see section 6.

*Futures/Options accounts - these accounts are charged a performance based fee based on capital appreciation (if applicable) in addition to fees based on the value of the account. No preference will ever be given to performance based accounts over value based accounts.

3. TYPES OF CLIENTS

The types of clients generally served by RII include Individuals, Retirement Accounts, Trusts, Estates, Religious and Charitable Organizations, Corporations and Partnerships.

4. METHODS OF ANALYSIS, SOURCES OF INFORMATION, AND INVESTMENT STRATEGIES

METHODS OF ANALYSIS

RII utilizes charting, fundamental, technical, cyclical and monetary analysis supported by various outside research services, in making its money management decision. RII first assesses the relative attractiveness and risk of various investment opportunities in light of both domestic and world economics, including their social, political and psychological climates. RII then evaluates market conditions to determine their current phase and outlook. The conclusions reached from these assessments become the basis for an analysis of secular trends in the overall economy and asset groups. Based on these findings, individual possibilities are compared. Those with a favorable outlook are selected for fundamental analysis of such aspects as industry position, recent developments, prospects, price movements and earnings trends. The results of these studies are then interfaced with technical analysis, with an underlying consideration of timing and price potential, in order to arrive at a final investment decision.

SOURCES OF INFORMATION

The principal sources of information utilized by RII are business newspapers/ magazines and financial trade journals; institutional research; reports and updates prepared by various other sources; annual reports, prospectuses, filings with the S.E.C. and company press releases; charting and relative strength analyses; as well as corporate rating and timing services.

INVESTMENT STRATEGIES

The basic strategy used by RII is entirely dependent upon the client's primary objective, but generally encompasses the concepts of preservation or performance, both of which are determined and maintained by the asset allocation found within a particular account (see Types of Accounts below).

To achieve the client's objective, RII utilizes a broad spectrum of liquid domestic and foreign assets, as itemized in item III above. Purchases usually are for long term or short term, but may be for trading (sold within 30 days). In some instances, margin transactions, short sales, or options on securities also be utilized when appropriate for clients who authorize their use in performance accounts.

All types of account will generally have cash reserves invested in money market funds available through their respective custodians. Clients begin with one of the following objectives as a guideline, but with the flexibility, in most cases, to tailor their account to their particular situation:

Preservation accounts are mostly invested in diversified lower risk assets like treasury issues, high grade corporate or municipal bonds, common and preferred stocks, money market funds. These accounts generally have lower equity exposure than performance accounts.

Performance accounts will generally have a greater percentage in equities than preservation accounts and thus be considered higher risk.

GENERAL ASSETT ALLOCATION RANGE - Foreign and Domestic

<u>Account Type</u>	<u>Debt/Cash Equivalents</u>	<u>Equities</u>
Preservation Accounts		
<u>Fixed Income</u> <i>Seeks income.</i> T-bills, notes, bonds or bond funds, currency exchange traded funds (ETF's)	100%	0%
<u>Balanced</u> <i>Seeks income and safety of nominal dollars.</i> Bonds, pfd. stocks, common stock and funds, currency ETF's	60-100%	0-40%
Performance Accounts		
<u>Balanced</u> <i>Seeks growth from income and capital gains.</i> 1-30 year government & corporate bonds, common stocks and funds,, currency ETF's	25-75%	25-75%
<u>Growth</u> <i>Seeks growth from capital gains & income.</i> Diversified stocks, bonds defensively when stocks are unattractive, funds, currency ETF's	0-65%	35-100%
<u>Aggressive Growth</u> <i>Seeks growth from capital gains.</i> Active, flexible (long & short) management of common stocks, bonds and funds, currency ETF's	0-100%	0-100%

ASSET SELECTION METHODOLOGY

EQUITIES (Stocks)

RII operates on the premise that fundamental changes in the market value of common stocks result from two sources: a) a change in after-tax net cash receipts (profits), either realized or expected, and/or b) a change in the return on investment expected by investors (discount rate). RII utilizes research from security analysts and other sources to obtain information as to profits, and expends much internal work on the change in the discount rates investors apply to those profits.

For the most part, RII gravitates toward stocks which could be classified as “growth stocks at a reasonable price” (GARP) or “value stocks,” not only in the traditional sense of values at deep discounts, but also applying to companies with improving cash flows, especially free cash flows after all dividends and reinvestments. A buy candidate often reflects projected returns on investment (ROI) well below historical levels due to current earnings difficulties or below anticipated future ROI because of new products, management changes, or significantly reduced costs, etc. Higher discount rates are also typical due to investor fears of company or industry conditions or changes in interest rates or taxes. A stock RII considers to be at least 40% undervalued and that has good prospects for improvement in any of the aforementioned areas would be a likely buy candidate.

With respect to diversification, the Company will often differ from the S&P 500 industry group percentages by significant levels because industry groups tend to become overvalued or undervalued at different times. RII may also maintain industry diversification and seek geographic diversification as well by using non-U.S. investments when appropriate. Investment in equities involves the risk of the complete loss of capital.

DEBT (Bonds/Fixed Income and Cash Equivalents)

RII believes that changes in interest rates are the most important factors in the price movement of bonds. RII therefore devotes the bulk of its research and strategy considerations to the intermediate and long-term direction of interest rates using Wall Street research and independent economists. RII then establishes a proper mix of maturities consistent with its directional view of interest rates.

The highest grade bonds (U.S. treasury issues and investment grade municipal and corporate obligations) are typically used because RII believes the global economy is in the late stages of a long economic cycle and that world debt levels are dangerously high. Bond volatility has increased dramatically in recent years and RII therefore treats long maturity bonds very similarly to common stocks in its strategies. RII may also use hedging strategies such as inverse ETFs. RII may also use options markets in accounts where their use is authorized, to help smooth out the short-term peaks and valleys of the debt markets. Investment in Corporate and Municipal fixed income involves the risk of the complete loss of capital, but generally a lesser risk than that of the corresponding equity.

Cash reserves are invested in various money market funds available through the custodian or in treasury bills. Investment in US Treasury fixed income and cash reserves involves a lesser risk of capital loss.

TANGIBLES (Gold Coins)

RII believes that the destruction of the purchasing power of money is due to the abandonment of tangible assets as a backing for paper currency. Because there has never been a fiat (paper) money that retained its purchasing power over an extended period of time, RII deems it prudent to utilize liquid tangible assets such as gold as a hedge against the debasement of currency by a credit market collapse, hyper money inflation, or central bank debt monetization for clients seeking to maintain real purchasing power. Gold is purchased in the form of marketable non-numismatic coins. Investment in Tangibles involves the risk of the complete loss of capital.

5. CODE OF ETHICS - PARTICIPATION OR INTEREST IN SECURITIES TRANSACTIONS

As a principal, RII does not buy securities for itself from or sell securities it owns to any client, nor does RII, as broker or agent, effect securities transactions for compensation for any client, nor does it, as broker or agent for any person other than a client, effect transactions in which client securities are sold to or bought from a brokerage customer.

On occasion, RII may recommend to clients that they buy or sell securities or financial products in which they or one of their related persons has some interest with the following restrictions: No portfolio manager shall purchase or retain equity securities for a client in any company if, to the knowledge of the portfolio manager, any of the officers, directors or other affiliated persons of RII or their immediate family members, own individually more than one percent of the outstanding shares, or collectively, five percent or more of such shares.

RII or its related persons may buy or sell securities that it recommends to clients with the stipulation that security transactions for RII's house accounts and the personal accounts of any officer, director or other affiliated persons do not receive preferential treatment. That is, such transactions will be executed along with or after anticipated purchases or sales have been completed for RII's clients. Preferential treatment shall always be granted to the client account should any conflict of interest arise.

A complete copy of our code of ethics is available upon request.

6. INVESTMENT OR BROKERAGE DISCRETION

Brokers referring clients to RII for management generally retain custody and brokerage. In instances where the client has designated the broker or brokerage firm for their account, the client negotiates their own commission discount and relinquishes any opportunity for better execution prices and discounts or investment opportunities which may otherwise be available to RII. Decisions regarding the choice of custodial and/or executing brokerage firm(s) are based upon many factors including commission rate, misc. fees, research availability, timeliness and relativity, and correspondence with our reporting software. RII generally executes trades through the custodial broker, but may execute trades through an outside broker that has provided research beneficial to decisions that we believe to be beneficial to the client account(s). In such a case the benefit would be for the account(s) involved. RII does not generally receive research or other benefits from brokers in exchange for client commissions, and usually purchases research independently.

We recommend and request that our clients maintain their accounts with Fidelity Investments. While not all advisers recommend specific brokers, we have found that Fidelity offers low commissions, excellent executions and research, extensive access to financial products, and our best access to reporting information. Fidelity may not always offer the lowest possible commissions or most favorable executions of trades - as no broker can guarantee - which could result in higher than possible client expense. We contract with Fidelity to provide us with the account information necessary to generate our client reports, for which we pay them independently of any trade commissions.

We generally aggregate the purchase or sale of securities for client accounts among accounts we determine would benefit by the trade.

7. REVIEW OF ACCOUNTS

RII has three Portfolio Managers who manage and review discretionary accounts on an ongoing basis, primarily as follows:

The account manager reviews specific holdings on an ongoing basis and formally reviews managed accounts quarterly, or in the interim as requested by the client, taking into consideration the following:

- A. Client's primary objective.
- B. Current established strategy and policy.
- C. Percentage of cash reserves, stocks, short and long-term holdings which comprise the account.
- D. Acceptability of each component of (C) above to coincide with (A) and (B) above.

Reports sent to managed discretionary accounts, at least quarterly, include but are not limited to:

- A. Client's monthly statement from their bank or broker.
- B. A written quarterly review from your portfolio manager of your account(s) including market value, YTD performance, letter of relevant market and economic conditions.

Personal meetings between manager and client are held as needed.

8. ADDITIONAL COMPENSATION

RII may from time to time establish agreements with solicitors to solicit clients with full disclosure in accordance with Rule 206(4)-3 of the Investment Advisors Act. Such private solicitors are exclusively paid by RII, as a percentage of RII's regular fees and not by additional fees to clients.

Referring brokers generally receive indirect compensation through directed trades/custody as noted in Item 6 above.

9. VOTING CLIENT SECURITIES

RII will accept the authority to vote client securities delivered to us electronically. If so, we will vote based upon our research and best insight, information and best interest of the individual account. We will not consider other client or employee accounts in such decisions. Client's that authorize our voting may not direct our votes. Client's wishing to direct voting should do so independently and receive such solicitations from their broker. Such clients are welcome to call us with any questions regarding a particular solicitation. Client's for whom we do vote may obtain our voting record of their account upon request.

PART 2B

1. EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

ROBERT M. REGAN (Born 1930)

EDUCATION: University of Notre Dame, B.S. Finance, 1952. BUSINESS BACKGROUND: Portfolio Manager/Founder, RII since 8/02, Portfolio Manager/Founder, Money Managers, Inc. & predecessor companies (3/67-10/02); Chairman (3/67-12/98), President (3/67-10/91); Certified Financial Planner (1979-1989); Registered Commodity Pool Operator (1980-1987); and Commodity Trading Advisor (1980-1988); Portfolio Supervisor, Kidder, Peabody & Company (1962-1967); Investment Officer, Northwestern National Bank of Minneapolis (1952-1962). FORMER AFFILIATIONS: Chairman, St. Paul/Minneapolis Archdiocesan Finance Committee; Trustee, Franciscan University of Steubenville, St. Thomas Academy, and Trinity Schools; Member, Twin Cities Society of Security Analysts.

ROBERT M. REGAN, JR. (Born 1970)

EDUCATION: University of Notre Dame, M.B.A. Finance, 2000/University of St. Thomas, B.A. English, 1994. BUSINESS BACKGROUND: Portfolio Manager/Research Analyst, RII since 11/02; Financial Advisor, Merrill Lynch (12/00-10/02); Investor Relations Analyst, Ashton Partners (8/00-12/00); Research Analyst, Thomson Financial (7/00-8/00); Corporate Communications Manager, Honeywell Int'l (6/94-8/98).

ERLE B. SAVAGE, III (Born 1970)

EDUCATION: College for Financial Planning, Accredited Asset Management Specialist, 2006 /Metropolitan State University, B.A. Administration, 1999. BUSINESS BACKGROUND: Sr. Vice President, Investments and Planning, RII (since 9/07); Financial Advisor, UBS Financial (8/06-9/07); Financial Advisor, Piper Jaffray & Co. (11/01-8/06).

CYNTHIA REGAN SMITH (Born 1959)

EDUCATION: Normandale Community College, A.A.S. 1990. BUSINESS BACKGROUND: Secretary Treasurer, RII since 8/02; Credit Analysis & Approval/Customer Service, GE Capital (10/99-10/01); Securities Trader/Registered Representative, Ziegler Thrift Trading (1985-1988); Branch Manager's Assistant/Registered Representative, Dean Witter Reynolds (1983-1985); Customer account & commodity pool administration, Regan Management, Inc. (1980-1983).

2. SUPERVISION

Advice given to clients is supervised and reviewed by verbal consultation with the supervisor, and that supervisor researches the suitability, timing and efficacy of the advice based on the needs of the particular client.

Robert Regan is supervised by Robert Regan, Jr., Portfolio Manager
Robert Regan, Jr. is supervised by Robert Regan, Portfolio Manager
Erle Savage is supervised by Robert Regan, Jr., Portfolio Manager

All supervisors can be reached at (952) 473-1080