

<b>Firm Information - ADV Part II Replacement Brochure</b>		
<i>Applicant: Alpha Financial Advisors, LLC SEC File Number: 801-68215 Date: September 24, 2010</i>		
<i>Address: 13925 Ballantyne Corporate Place, Suite 280 Charlotte, North Carolina 28277 Tel: 704-716-1100</i>		

*This brochure serves as a replacement to Part II of Form ADV Uniform Application for Investment Adviser Registration, which gives information about an investment adviser and its business for the use of clients and prospective clients. This information has not been approved or verified by any governmental authority. Registration of an investment adviser does not imply that the adviser possesses a certain level of skill or training.*

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## **1. Advisory Services and Fees**

Alpha Financial Advisors, LLC (“the Firm”), managed since 2002, is a fee-only registered investment adviser that provides investment supervisory services to individuals and families. The Firm’s primary service is managing investment portfolios on behalf of clients who grant the Firm discretionary investment authority. It also provides comprehensive financial planning services for clients, including furnishing advice to clients on matters not involving securities.

Alpha Financial Advisors, LLC provides ongoing, discretionary investment management services to clients. This service consists of an assessment of the clients goals and risk tolerance, preparation of an investment plan based on the clients goals and constraints, execution of trades in accordance with the investment plan, ongoing management of the investment portfolio, quarterly reporting of portfolio positions and performance, and a review with the client of the portfolio and reassessment of goals and risk tolerance at least annually. The fee schedule for these services is 1.00% per annum on assets up to \$1,000,000, 0.50% per annum on assets between \$1,000,001 and \$5,000,000, and 0.25% per annum on all assets in excess of \$5,000,000. We charge half of our normal rates on assets in 529 college savings accounts. These fees are assessed quarterly in arrears based on the value of the assets under management on the last day of the quarter, prorated for capital flows that occur during the quarter. Client or advisor may terminate the contract at any time by providing written notice to the other, and client is responsible for all unpaid fees due through the date of termination.

Alpha Financial Advisors, LLC provides financial planning services which involve providing advice to clients on matters not involving securities such as cash flow & budgeting, retirement goal setting, insurance and risk management needs analysis, wealth transfer strategies, and tax planning. These services would be provided as part of either a mutually agreed upon flat-fee or hourly financial planning arrangement between client and advisor. The fees for these services typically range between \$500 and \$3,500 for flat-fee arrangements dependent on the extent and complexity of the services provided or are billed at \$200 per hour for hourly arrangements. Client or advisor may terminate the contract at any time by providing written notice to the other. Fees for this service would be billed in two installments, one half on client’s retention of advisor and the remaining half on delivery of financial planning analysis to client. If client terminates the contract prior to delivery of financial planning analysis, adviser will calculate bill based on hourly rate of \$200 per hour and will refund to client any retainer amount in excess of billable amount within 30 days of contract termination. If Client opts for financial planning services, Advisor will credit \$250 for each \$100,000 in assets managed by Advisor towards Client’s financial planning fees on the annual anniversary date of the Financial Services Agreement, not to exceed the total amount of financial planning fees charged for the year. The adviser estimates that this service accounts for approximately 10% of the fees charged to clients.

The firm seeks to provide a high degree of transparency with regard to fees and expenses. Clients receive a confirmation of each transaction clearly disclosing any transaction charges, and monthly statements summarizing all activity and charges.

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Clients may at any time add funds or securities to their accounts, withdraw funds or securities from their accounts, or close their accounts.

## **2. Types of Clients**

The Firm generally provides investment advice to individuals and families.

## **3. Types of Investments**

Typical investments include open-ended mutual funds, exchange traded funds, common stocks issued by domestic and foreign companies, U.S. Government securities, municipal securities, variable annuities, bonds issued by domestic companies, option contracts on securities, and preferred stocks issued by domestic companies.

## **4. Methods of Analysis, Sources of Information, and Investment Strategies**

The Firm employs fundamental analysis and analysis of economic, market, industry, firm, and product cycles and trends to evaluate investments and manage portfolios.

Typical sources of information include financial newspapers and magazines, research materials prepared by others, corporate rating services, company press releases, financial news and quotation services, financial data providers, analyst research reports, annual reports, prospectuses, and filings with the Securities and Exchange Commission.

The Firm continually adapts its investment strategies to market conditions and individual client needs. The investment strategies used to implement any investment advice given to clients include long term purchases (securities held at least a year) and short term purchases (securities sold within a year). Firm does not make short sales or engage in margin transactions for clients except in special circumstances and at a client's specific request. It occasionally executes option transactions at the request of clients, but does not employ options or other derivatives in accounts over which it has discretionary investment authority.

## **5. Education Standards**

The Firm's full-time investment professionals must have a bachelor's degree or better. The firm strongly encourages investment professionals to pursue the Certified Financial Planner (CFP®)

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designation awarded by the Certified Financial Planner Board of Standards, Inc. All Investment Advisors hold the CFP® designation.

## **6. Education and Business Background**

Mr. John T. Gugle, CFP®, CRPC, born in 1970, is a Managing Member & Principal of Alpha Financial Advisors, LLC. Mr. Gugle joined the Firm in 2005. He holds a Bachelor of Business Administration degree in Finance and a Bachelor of Arts in Japanese degree from the University of Notre Dame. Mr. Gugle is a Certified Financial Planner™ Licensee and a Chartered Retirement Planning Counselor Designee. Previously Mr. Gugle was a Financial Planning Associate at Carroll Financial Associates, Inc. in Charlotte, NC (2003-2005), a Registered Representative of Financial Network Investment Corporation in Charlotte, NC (2003–2005), a Financial Advisor at UBS Paine Webber in Charlotte, NC (2002–2003), and a Senior Manager Institutional Equities at Morgan Stanley in Tokyo, Japan (1998-2001).

## **7. Other Business Activities**

The Firm is actively engaged in a business other than giving investment advice to clients and sells products or services other than investment advice to clients. This refers to Financial Planning services, which involve providing advice to clients on matters not involving securities such as cash flow & budgeting, retirement goal setting, insurance and risk management needs analysis, wealth transfer strategies, and tax planning.

## **8. Financial Affiliations**

Firm or related persons are not a general partner in any partnership in which clients are solicited to invest.

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## **9. Participation of Interest in Client Transactions**

The Firm, and its officers, employees, and family members generally hold the same securities the Firm buys for client accounts over which it has discretionary investment authority. However, to accommodate diverse individual circumstances and investment goals, the Firm and its associated persons may at times buy for themselves and for certain clients the same securities that are being sold for other clients, and vice versa. Client transactions are always given priority over those of employees and related persons in and attempt to ensure that the clients receive the best pricing. The prices for transactions in a given security on a given day typically are averaged so that no one account or client receives preference. When prices are not averaged, the Firm gives preference to clients over itself. The Chief Compliance Officer reviews all transactions executed by the Firm daily, and conducts an additional review of all securities transactions by officers and employees quarterly. In the case of mutual funds that are transacted at end of day pricing, orders for employees and related persons are communicated to custodians at the same time as client orders to ensure all accounts receive the same pricing. All transactions for employees and related accounts must be approved prior to execution by the Firm's Chief Compliance Officer. The Firm's policy on order execution is disclosed to clients in the Financial Services Agreement that clients sign upon engaging the Firm.

The Firm has adopted a Code of Ethics for the purpose of instructing its personnel in their ethical obligations and to provide rules for their personal securities transactions. The Firm and its 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 to the general principles that guide the Code. The Code of Ethics covers a range of topics that may include: general ethical principles, receipt and giving of gifts, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code of Ethics, review and enforcement processes, amendments to Form ADV and supervisory procedures. The Firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

## **10. Conditions for Managing Accounts**

The Firm generally requires a minimum of \$250,000 to open an advisory account. It believes that this is the minimum amount required to successfully execute its investment strategies for an individual portfolio. However, smaller accounts may be accepted at the discretion of management.

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### **11A. Review of Accounts**

The Firm's Investment Advisors and its Chief Compliance Officer continuously monitor accounts to identify and correct any transaction or valuation errors, and to implement investment strategies that serve each client's investment objectives. All transactions and pricing information are updated in the database of Alpha Financial Advisors, LLC on a daily basis. A daily screen is run to ensure that the allocation of each investment in each account is within the predetermined acceptable range. If an investment is outside of the acceptable range, the account will be reviewed to determine if any transactions are appropriate. All accounts are thoroughly reviewed monthly to ensure that the allocation is appropriate for the specific goals of the client. All accounts are reviewed with each client on at least a quarterly basis to ensure that the client is informed on the allocation and standing of their account and that the allocation is appropriate for their specific goals. All accounts are reviewed near the end of the calendar year to determine if any reallocation or tax related transactions are appropriate. More frequent account reviews are triggered by such factors as: a) awareness of a material change in a client's circumstances or investment objectives, b) significant changes in market conditions, c) changes in the investment advisor's assessment of a security held in an account, and d) divergence of an account's investment performance from management's expectations.

The Firm has approximately 101 client relationships for which it provides investment supervisory services. John T. Gogle is responsible for the review of all client accounts managed by the Firm.

### **11B. Reports to Clients**

In addition to the account statements sent to clients by the custodian of their accounts, all clients receive a quarterly report from Alpha Financial Advisors, LLC which provides the current status of the accounts, performance of the accounts for the period, year to date and since inception of the advisory relationship with the Firm. All clients who have taxable accounts are also provided with a comprehensive report on all tax related information for the accounts once per year as soon as the information is made available to Alpha Financial Advisors, LLC by the custodians of client assets.

The Firm posts its privacy policy, proxy policy, business continuity plan, this information pamphlet, and other disclosures on its website at <http://www.alphafa.com> and offers at least annually to send them to clients.

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## **12. Investment or Brokerage Discretion**

As described in Item 1, the Firm is a registered investment advisor whose primary business is managing portfolios on behalf of clients who grant the Firm discretionary investment authority. This authority gives the firm the power to decide which securities to buy and sell and in what quantities. Alpha Financial Advisors, LLC recommends that clients use Charles Schwab & Co., Inc. for the custody and brokerage of their accounts. In recommending a custodian, the Firm considers primarily the ability to execute a trade promptly at a competitive price and the financial stability of the custodian. Clients may pay transaction fees higher than those obtainable from other brokers, but the Firm feels that clients are receiving the best custodial and execution services available for the transaction fees paid to Charles Schwab & Co., Inc. for execution of transactions. The Firm receives no research or other consideration for recommending Charles Schwab & Co., Inc. as custodian to clients.

## **13. Additional Compensation**

The Firm and its related persons restrict its compensation solely and exclusively to the professional fees it receives directly from clients. Neither the Firm nor any of its employees will accept any sales commissions, referral fees, or soft dollars. The Firm and its employees will not accept prizes, travel, gifts or meals valued in excess of \$100 from any financial product vendor, custodian or other financial service provider. The Firm does not receive any compensation from investment companies and does not have an arrangement for receiving compensation for client referrals.