



BrunsonAdvisors

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Date of Brochure:
March 15, 2011

This brochure provides information about the qualifications and business practices of Brunson Advisors LLC. If you have any questions about the contents of this brochure, please contact us at (804) 423-2222. 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.

Brunson Advisors LLC is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply that these regulatory bodies have evaluated and certified a certain level of skill or training. The oral and written communications of an adviser provide you with information you can utilize to consider hiring or retaining an advisor.

Item 2 — Material Changes

On July 28, 2010, the United States Securities and Exchange Commission published “Amendments to Form ADV”, which amends the disclosure document that we provide to clients as required by SEC Rules. This brochure, dated 3/15/2011, is a new document prepared according to the SEC’s new requirements and rules. As such, this document is materially different in structure, and requires certain new information that our previous brochure (ADV Part 2) did not require.

In the future, this section will discuss only specific material changes that are made to the brochure, and provide clients with a summary of such changes. We will also reference the date of the brochure’s last annual update.

In the past we have offered or delivered information about our qualifications and business practices to clients no less frequently than annually. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our fiscal year. We may further provide other ongoing disclosure information about material changes as necessary. We are also happy to provide you with a new brochure as necessary based on changes or new information at any time, without charge.

Our brochure may be requested by contacting our office at 804/423-2222. Additional information about Brunson Advisors LLC is available via the SEC’s web site at www.adviserinfo.sec.gov. The SEC’s website also provides information about any persons affiliated with Brunson Advisors LLC or who are registered as investment adviser representatives of Brunson Advisors LLC.

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Item 4 — Advisory Business

Brunson Advisors LLC is a Registered Investment Advisor Firm established November 5, 1999. William E. Brunson is the president and sole owner.

The firm provides active portfolio management for all investment advisor clients in exchange for an advisory fee, based on a percentage of assets under management. Additionally, at no extra cost, the firm provides counsel on other client financial matters as needed, such as retirement planning, college planning, and basic insurance needs analysis. Although we have a general understanding of and perform some analysis of income and estate taxes, we do not offer authoritative tax or estate planning advice.

Prior to entering advisory agreements, the advisor or advisor representative conducts an in-depth discussion with clients to determine how best to construct the client's portfolio. The discussion includes the general financial status, financial goals, risk tolerance, time frames, investment experience, and future expectations of prospective clients. Our investment philosophy is explained: Our belief that every investor needs a diversified group of well-tested, non-correlated investment methods, diversified by markets, countries, regions, asset types, sectors, styles, and holding periods.

As of December 31, 2010, Brunson Advisors LLC managed accounts for 151 client households with 550 total accounts, and \$42,574,374 under management. All assets are managed on a discretionary basis.

Brunson Advisors LLC does not participate in wrap fee programs.

Item 5 — Fees and Compensation

Investment advisory fees for our clients are calculated in various ways. In general, advisory fees on accounts that are housed at our primary custodian, Trust Company of America, are paid monthly, in arrears. Accounts that are housed directly at mutual fund companies or variable annuities often pay annual fees in advance. We make as many different payment options available to clients as possible, given the limitations of certain custodians, and reasonable administration. For example, we have some clients that pay quarterly in advance. There are potential financial advantages to paying fees in advance during a time of increasing account values, and, conversely, an advantage to paying in arrears if account values have declined. Our clients have the option of changing the frequency and method of fee payment.

Investment advisory fees are payable initially on a pro-rated basis to the end of the nearest payment period selected. Thereafter, fees are paid according to the payment period selected, whether annual, quarterly, or monthly. Cancellation of investment management services may be done by either party giving written notification. Upon receipt of written notification, a pro-rated refund will be given to the client based on the actual date of termination of services. Accounts cancelled before the sixth day of service will be refunded in full.

In the early years of the firm, our published fee schedule for each account was tiered, as in the following example:

<u>Account Size Increment:</u>	<u>Annual Fee:</u>	<u>Quarterly Fee:</u>
\$5,000 to \$ 250,000	2.00%	.50%
Next \$ 250,000	1.75%	.4375%
Next \$ 250,000	1.59%	.375%
Next \$ 250,000	1.25%	.3125%
\$ 1,000,000 and above	As agreed	As agreed

In recent years, we have typically negotiated fees lower and un-tiered. Our typical fee for new clients is a flat 1.5% annually. Advisory fees are negotiable in some cases, including 401k's and other retirement plans where fees are difficult or impossible to extract from the account, leaving the clients to pay fees from their disposable income. Fees have also been negotiated based on competitive considerations. We do not claim that all of our clients pay advisory fees at the same rate, although the majority of them do. Advisory fees for each client and each account are noted and acknowledged in their Investment Management and Authorization Agreement which is on file at our office. Each client receives a copy of the agreement. All clients have the option to pay advisory fees directly by check or to have fees deducted from their managed accounts, or from other non-managed accounts specified for that purpose.

Aside from advisory fees, in certain accounts the client may pay management fees, annual operating expenses, deferred sales charges, and 12-b1 fees to mutual fund sponsors and variable annuity sponsors. In addition, custodial accounts may have custodial fees, wire and electronic transfer fees, as well as transaction costs and taxes on potential capital gains, if any.

As a registered representative of Investors Security Company, Inc, a FINRA broker/dealer, William E. Brunson, principal of Brunson Advisors, may receive compensation for securities transactions on investments utilized in some of our accounts. Examples include: commissions and ongoing 12-b1 fees on the sale of annuities and mutual funds. The same or similar investment products recommended by the advisor may be available through other agents or brokers at the same or lower commission rates. In the event a sales commission is received by the principal on the sale of an investment product, no investment advisory fee adjustment or offset is typically offered. Although commissionable products are used in a significant minority of our accounts, we believe a thorough discussion of costs of all types is an important step in retaining an investment advisor. Utilizing commissionable products excessively is a potential conflict of interest.

Item 6 — Performance-Based Fees and Side-by-Side Management

Brunson Advisor LLC does not use performance-based fees, nor engage in side-by-side management of mutual funds and hedge funds

Item 7 — Types of Clients

Brunson Advisors provides investment advice to various types of clients. The majority of our clients are individuals and families, but other clients will from time-to-time include pension and profit sharing plans, trusts, estates or charitable organizations, and corporations or other business entities.

Brunson Advisors has, over the years, required an account minimum of \$ 5,000 to provide investment management services, although we have sometimes waived that minimum, especially for children and other relatives of our existing clients. If we judge a prospective client to have serious intent, we will waive minimums. However, in order to hold a well-diversified array of our investment models, an account size of \$70,000 — \$100,000 or more is recommended.

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

Brunson Advisors manages accounts utilizing an array of investment methods, called models. Through the use of historical data, technical analysis, cyclical indicators, and ongoing research, our models are thoroughly tested, take risk management into account, are reasonably non-correlated with other models, and diversified across styles, sectors, regions, countries, asset classes, and holding periods.

Below is a brief description of a sampling of our investment models. We reserve the right to modify and change the models we offer from time-to-time, and would not consider an adjustment to this list a “material change” to this brochure. The list is not comprehensive, and should not be considered sufficient information for thorough due diligence, nor an offer for securities, nor advisory services. A thorough discussion of methods, costs, and risks should precede the use of any of (or any group of) our models. Neither exchange traded funds, mutual funds, money market funds, nor our advisory services offer guarantees against risk of loss.

Buy/Sell

A “tape-based” model, based on the price action of eight broad-based market indices, including the S&P 500, Nasdaq Composite, Dow Jones Transportation Average, Dow Jones Utility Average, Crude Oil Futures, High Yield Corporates, Moody’s Corp Bond Yields, and Treasury Bond Yields. A money market or cash alternative is available, if called for. Evaluated daily.

Commodity Timing Model

Designed to balance the risk in a portfolio by using commodities to increase the non-correlation with the stock market. This model invests in an ETF that provides exposure to energy, agricultural commodities, industrial metals, livestock, and precious metals. It moves to the relative safety of the money market or cash when commodities are deemed an unattractive investment. Evaluated monthly.

Diversified Sector

A model that invests in the top three sectors of the market, based on relative strength. Evaluated weekly.

Dynamic Balanced

A model that switches between stock funds and government bond funds based on relative strength. Evaluated weekly.

ETF Trends

The model selects the top 5% out of a universe of over 600 Exchange Traded Funds, based on relative strength, and holds them until they drop out of the top 20%. When an ETF drops out of the top 20%, it is upgraded with another ETF in the top 5%. The model provides exposure to many countries, regions, sectors, and asset classes. Evaluated weekly.

International Focus - Diversified

A model that invests in a diversified EAFE fund (Europe, Australia, Far East), except during times of perceived high risk, at which time the model moves to the relative safety of the money market. Evaluated weekly.

International Focus - Regional

A model that invests in three different international regions: Europe, Asia, and Latin America. Each region is evaluated independently based on momentum, exiting each regional market and moving to a cash or money market position during times of perceived high risk. Evaluated daily.

International Focus - Country

A model that invests in four country-specific ETF’s, based on relative strength of the participating countries. Out of twenty developed nations, the model chooses the top four countries, based on current leadership. Evaluated weekly.

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

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Seasonal

A model that invests in the stock market during the “favorable season” (approximately October through May), and moves to the relative safety of the money market or cash during the “unfavorable season” (approximately June through September.) Evaluated daily during seasonal “windows.”

Six-Way Global Allocation

A model that rotates among the six largest market capitalization countries/regions (U.S., Japan, U.K., Europe, Pacific Rim, and Emerging Markets), and investing in the two best countries/regions, based on momentum. Evaluated monthly.

Style Rotation Strategy

A model that invests in the anticipated best performing style: large-cap value, large-cap growth, mid-cap value, mid-cap growth, small-cap value, or small-cap growth. Style selection is based on a monthly regression analysis calculation of various tape-based indicators, monetary, liquidity, economic, valuation and sentiment measures. Evaluated monthly.

Top 5 Strategy

A model that invests in a portfolio of the top five best performing mutual funds. The universe of mutual

We purchase a significant amount of objective, non-biased research each year, as well as perform our own testing of methodologies. By “objective”, and “non-biased”, we mean that we put greater weight on research and information that is not packaged along with “product sales”, and where the only commodity being sold is information and analysis, with no further vested interest. Our research reviews include charting, fundamental, technical, and fundamental factors, as well as publicly available newspapers, magazines, prospectuses, annual reports, filings with the SEC, and company press releases.

Investments strategies utilized in asset management may include long-term purchases, short-term purchases, and trading. In aggressive accounts, we also utilize mutual funds and exchange-traded funds with leverage and long-short characteristics built into them.

All investments contain an element of risk. Although we take risk management into account in all of our models, the loss of principal is still a risk. Principal values may fluctuate daily. Other risks are interest rate risk, and in international investments, currency risk, country-specific risk, and political risk.

The primary securities the advisor recommends are equity securities, such as common and preferred stocks, exchange traded funds, mutual funds and variable annuity subaccounts. All of these include the risk of principal loss and principal fluctuation.

Item 9 — Disciplinary Information

Brunson Advisors has no legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Item 10 — Other Financial Activities and Affiliations

William E. Brunson, the sole owner of Brunson Advisors LLC, is a registered representative of Investors Security Company, Incorporated, a broker-dealer, and member of FINRA and SIPC.

Brunson Advisors LLC Code of Ethics

All current and future employees and principles of the firm must:

- 1) Engage in and promote honest and ethical conduct, including the ethical handling of apparent or actual conflicts of interest with the clients we serve.
- 2) Take all reasonable steps to protect the confidentiality of non-public information we gather and maintain for our clients, and prevent the unauthorized disclosure of such information unless required by law or regulatory process.
- 3) Provide a fair and accurate disclosure of the advisory services we offer to clients and prospective clients.
- 4) Act in good faith, responsibly, with due care, competence, prudence, and diligence, without misrepresenting material facts about accounts, procedures, methods, and risks.
- 5) Comply with governmental laws, rules, and regulations related to our business.
- 6) Avoid investing in such a way as to use “insider” information for the trading of client or personal accounts.
- 7) Avoid “front-running”, the practice of investing for the firm or for personal accounts ahead of client accounts.
- 8) In the case of “access persons,” provide copies of trading account statements to the firm principle each quarter for review of the preceding two items.
- 9) Report breaches of the Code of Ethics to a company principle.
- 10) Provide a copy of this Code of Ethics to all employees and related persons.

A copy of our Code of Ethics is available to any client or prospective client upon request.

Brunson Advisors or employees may at any time own the same mutual funds, variable annuities, or other securities it recommends to clients. All mutual fund or variable products owned by applicant or its employees are purchased by prospectus just as client purchases are also done. Purchases by applicant or its employees cannot affect the pricing of such products. In managed accounts within an omnibus account, all clients (including firm employees) are traded at the same time.

Item 12 — Brokerage Practices

Brunson Advisors utilizes Trust Company of America to execute trades in custodial trading accounts. We believe that custodian costs and trading costs are fair and reasonable, and that trading execution is efficient. Block trading is routinely employed to pursue best execution of trades.

In accounts that require the services of a broker/dealer, our firm principal, William E. Brunson, is a registered representative exclusively of Investors Security Company, Incorporated. We believe the commissions paid by Investors Security Company, Inc. are reasonable and customary. It is possible that securities transactions could be accomplished at a lower cost through other brokers, and that the exclusive nature of the broker/dealer-registered representative relationship could result in higher commissions, less efficient trade execution, and could constitute a conflict of interest.

The advisor receives no soft dollar benefits as a result of its association with Investors Security Company, Incorporated.

Item 13 — Review of Accounts

Our investment models, which are the building-blocks of our clients' accounts, are reviewed regularly, according to a schedule dictated by the nature of each model. Some are re-calibrated every day the market is open, some weekly, some monthly, and others twice a year. We believe in a pro-active approach to money management, and watch our models carefully in order to adjust to changing market conditions.

William E. Brunson, sole owner of advisor, or a firm representative, reviews client accounts on a quarterly basis, meeting with clients on an as-needed basis. Material changes in a client's financial circumstances, such as a change in employment or financial status, or simply a client request may trigger a review other than periodic.

Brunson Advisors supplies clients with quarterly summary statements which contain current account values at the end of each calendar quarter, and historical account values of their account. Our various custodians also supply quarterly reports which contain detailed information regarding holdings, valuation, trades, interest, asset allocation, and shares. End-of-year tax reporting information is also provided by our custodians.

Item 14 — Client Referrals and Other Compensation

Brunson Advisors LLC has no arrangement to give or receive compensation for those referring clients to us. We have no compensation arrangements for third parties for providing investment advice, referrals, or other advisory services to our clients.

Item 15 — Custody

Brunson Advisors LLC does not retain custody of client funds, except to the extent that clients have authorized us to request and receive advisory fees from their managed accounts.

Item 16 — Investment Discretion

Brunson Advisors LLC manages investment accounts on a discretionary basis. This means that the advisor has the authority to make decisions and execute transactions on the behalf of clients, in client accounts, without seeking further consent from the client.

Prior to assuming discretionary authority, the advisor and client review and execute an Investment Management and Authorization Agreement which grants the advisor discretionary authority over the client accounts, limited to executing transactions in the managed portfolio that are in the client's best interest.

Item 17 — Voting Client Securities

As a matter of firm policy and practice, Brunson Advisors LLC does not have any authority to vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Brunson Advisors LLC may provide information and explanation to clients regarding the clients' voting of proxies if requested by clients.

Item 18 — Financial Information

Brunson Advisors LLC is structured as a single-partner limited liability company (LLC). The company's financial condition is not impaired in any way that would prevent the company from meeting contractual and fiduciary obligations to clients.

An audited balance sheet is supplied as a supplement to this brochure.

BRUNSON ADVISORS, LLC
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2009

John E. Satterwhite, Jr. CPA, P.C.

Certified Public Accountant

Member of the American Institute
of Certified Public Accountants

Member of the Virginia Society
of Certified Public Accountants

Quick Book Pro Advisor

SEPTEMBER 17, 2010 E-Mail johnsatterwhite@erols.com

4518 Kellbunn Lane

Sandston, Virginia 23150

1-804-328-6202

The Board of Directors
Brunson Advisors, LLC
10800 Midlothian Turnpike
Richmond, Virginia

Independent Auditor's Report

I have audited the accompanying balance sheet of Brunson Advisors, LLC as of December 31, 2009, and the related statements of income, retained earnings, and cash flows for the year ended December 31, 2008. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

The financial statements referred to above present fairly, in all material respects, the financial position of Brunson Advisors, LLC as of December 31, 2009, and the results of its operations and its cash flows for the year then ended December 31, 2009 in conformity with generally accepted accounting principles.



BRUNSON ADVISORS, LLC.
BALANCE SHEET
DECEMBER 31, 2009
AUDITED

ASSETS

CURRENT ASSETS:

CASH \$ 41,917

TOTAL CURRENT ASSETS \$ 41,917

FIXED ASSETS: (NOTE 1)

LEASEHOLD IMPROVEMENTS 6,146
LESS ACCUMULATED DEPRECIATION (5,644) 502

OTHER ASSETS:

SECURITY DEPOSIT 3,560

ORGANIZATION COSTS 1,051
LESS AMORTIZATION (1,051) 0

TOTAL ASSETS \$ 45,979
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"See accompanying footnotes and accountant's report."

BRUNSON ADVISORS, LLC
BALANCE SHEET
DECEMBER 31, 2009
AUDITED

LIABILITIES AND MANAGER'S CAPITAL

CURRENT LIABILITIES:

TOTAL LIABILITIES \$ 0

CAPITAL:

MANAGERS CAPITAL (EXHIBIT "B")

\$

TOTAL MANAGER'S CAPITAL \$ 45,979
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TOTAL LIABILITIES AND CAPITAL \$ 45,979
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"See accompanying footnotes and accountant's report."

BRUNSON ADVISORS, INC.
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 2009
AUDITED

SALES		\$ 475,111
EXPENSES		
DEPRECIATION	878	
PROFESSIONAL FEES	1,650	
DUES AND MEMBERSHIPS	950	
OFFICE (RENT AND SECRETARIAL)	141,287	
TRADE REIMBURSEMENT	<u>6,856</u>	
 TOTAL EXPENSES		 \$ <u>151,621</u>
 NET INCOME (LOSS)		 323,490
CAPITAL-JAN. 1		51,489
DISTRIBUTIONS AND WITHDRAWALS		<u>(329,000)</u>
 CAPITAL-DEC 31		 \$ 45,979 =====

"See accompanying footnotes and accountant's report."

BRUNSON ADVISORS, LLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009
AUDITED

CASH FLOWS FROM OPERATING ACTIVITIES:

NET INCOME (LOSS) (EXHIBIT "B")	\$323,490
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	

DEPRECIATION	<u>878</u>
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TOTAL	324,368
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CASH FLOWS FROM INVESTING ACTIVITIES:

INTEREST INCOME	<u>0</u>
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CASH FLOW FROM FINANCING ACTIVITIES:

DISTRIBUTIONS TO SHAREHOLDER	<u>(329,000)</u>
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NET INCREASE IN CASH	(4,632)
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CASH BEGINNING OF PERIOD	<u>46,549</u>
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CASH END OF PERIOD	<u>\$41,917</u> =====
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"See accompanying footnotes and accountant's report."

BRUNSON ADVISORS, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

THE COMPANY WAS ORGANIZED ON NOV. 5, 1999 AND OFFERS ADVISORY SERVICES FOR INVESTMENTS TO BUSINESSES AND THE GENERAL PUBLIC.

THE COMPANY RECOGNIZES REVENUE AND THE RELATED EXPENSES UTILIZING THE ACCRUAL METHOD FOR FINANCIAL STATEMENT AND INCOME TAX PURPOSES.

BAD DEBTS ARE RECOGNIZED USING THE DIRECT WRITE-OFF METHOD.

FIXED ASSETS ARE RECORDED AT COST AND DEPRECIATED OVER THEIR ESTIMATED LIVES.

ADVERTISING COSTS ARE EXPENSED WHEN PAID RATHER THAN AMORTIZING OVER THEIR ESTIMATED USEFUL LIFE.

NOTE 2: THE COMPANY OPERATES AS A LIMITED LIABILITY PARTNERSHIP, AND THEREFORE NO INCOME TAX PROVISION IS PROVIDED.