

## **Item 1 - Cover Page**



**CRD# 105302**

200 Ashford Center North  
Suite 325  
Atlanta, Georgia 30338

(770) 395-9797

**[www.SH-Advisors.com](http://www.SH-Advisors.com)**

## **March 5, 2012 Brochure**

This brochure provides information about the qualifications and business practices of Sherrill & Hutchins Financial Advisory, Inc. ("SHFA"). If you have any questions about the contents of this brochure, please contact us at (770) 395-9797 or [info@sh-advisors.com](mailto:info@sh-advisors.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state authority.

Additional information about SHFA also is available on the SEC's website at **[www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov)**.

## **Item 2 - Summary of Material Changes**

As you may be aware, the format that registered investment advisers are required to use in order to inform clients of the nature of advisory services provided, types of clients served, fee charged, potential conflicts of interest and other information has changed.

In the past, we were only required to offer you our updated brochure on an annual basis. Under the new rules, we are required to annually provide each client with these amended disclosures, rather than merely making the offer. If there had been changes to our brochure since our last regulatory filing, we would be required to inform you of these changes. However, there have been no material changes to the Firm's brochure since its last required filing, dated March 30, 2011.

### Item 3 - Table of Contents

### Page

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

## ***Item 4 - Advisory Business***

### **General Information**

Sherrill & Hutchins Financial Advisory, Inc. was formed in 1984 and provides financial planning, investment management, and investment consulting services to its clients. At the outset of each client relationship, SHFA spends time with the client, asking questions, discussing the client's investment experience and financial circumstances, and broadly identifying major goals of the client.

Clients may elect to retain SHFA to prepare a full financial plan. This written report is presented to the client for consideration. In most cases, clients subsequently retain SHFA to manage the investment portfolio on an ongoing basis.

For those financial planning clients making this election, and for other clients who do not need financial planning but retain SHFA for investment management services, based on all the information initially gathered, SHFA generally develops with each client:

- a financial outline for the client based on the client's financial circumstances and goals, and the client's risk tolerance level (the "Financial Profile");
- the client's investment objectives and guidelines (the "Investment Plan").

The Financial Profile is a reflection of the client's current financial picture and a look to the future goals of the client. The Investment Plan outlines the types of investments SHFA will make on behalf of the client in order to meet those goals. The Profile and the Plan are discussed regularly with each client, but are not necessarily written documents.

Finally, where SHFA provides only limited financial planning or investment consulting services, SHFA will work with the client to prepare an appropriate summary of the specific project(s) to the extent necessary or advisable under the circumstances.

### **Financial Planning**

One of the services offered by SHFA is Financial Planning, described below. This service may be provided as a stand-alone service, or may be coupled with ongoing investment management.

Financial Planning may include advice that addresses one or more areas of a client's financial situation, such as estate planning, risk management, budgeting and cash flow controls, retirement planning, education funding, and investment portfolio design and ongoing management. Depending on a client's particular situation, financial planning may include some or all of the following:

- Gathering factual information concerning the client's personal and financial situation;
- Assisting the client in establishing financial goals and objectives;
- Analyzing the client's present situation and anticipated future activities in light of the client's financial goals and objectives;
- Identifying problems foreseen in the accomplishment of these financial goals and objectives and offering alternative solutions to the problems;
- Making recommendations to help achieve retirement plan goals and objectives;
- Designing an investment strategy to help meet the goals and objectives of the client;
- Providing estate planning;
- Assessing risk and reviewing basic health, life and disability insurance needs; or

- Reviewing goals and objectives and measuring progress toward these goals.

Once Financial Planning advice is given, the client may choose to have SHFA implement the client's financial plan and manage the investment portfolio on an ongoing basis. However, the client is under no obligation to act upon any of the recommendations made by SHFA under a Financial Planning engagement and/or engage the services of any recommended professional.

#### Investment Management

As described above, at the beginning of a client relationship, SHFA meets with the client, gathers information, and performs research and analysis as necessary to develop the client's Investment Plan. The Investment Plan will be updated from time to time when requested by the client, or when determined to be necessary or advisable by SHFA based on updates to the client's financial or other circumstances.

To implement the client's Investment Plan, SHFA will manage the client's investment portfolio on a discretionary basis. As a discretionary investment adviser, SHFA will have the authority to supervise and direct the portfolio without prior consultation with the client.

Notwithstanding the foregoing, clients may impose certain written restrictions on SHFA in the management of their investment portfolios, such as prohibiting the inclusion of certain types of investments (e.g., "sin stocks") in an investment portfolio or prohibiting the sale of certain investments held in the account at the commencement of the relationship. Each client should note, however, that restrictions imposed by a client may adversely affect the composition and performance of the client's investment portfolios. Each client should also note that his or her investment portfolio is treated individually by giving consideration to each purchase or sale for the client's account. For these and other reasons, performance of client investment portfolios within the same investment objectives, goals and/or risk tolerance may differ and clients should not expect that the composition or performance of their investment portfolios would necessarily be consistent with similar clients of SHFA.

#### Investment Consulting

In addition to the foregoing services, SHFA may provide investment consulting services to clients. These services are generally provided on a project basis, and may include analysis of the client's existing investments, development of a tailored investment strategy, as well as other matters specific to the client as and when requested by the client and agreed to by SHFA. The scope and fees for consulting services will be negotiated with each client at the time of engagement for the applicable project.

#### Principal Owners

Thomas B. Sherrill and William F. Hutchins are the principal owners of SHFA. Please see **Brochure Supplements**, Appendix A, for more information on these principal owners and other individuals who formulate investment advice and have direct contact with clients, or have discretionary authority over client accounts.

#### Type and Value of Assets Currently Managed

As of December 31, 2011, SHFA managed \$250,197,448 on a discretionary basis, and no assets on a non-discretionary basis.

## ***Item 5 - Fees and Compensation***

### **General Fee Information**

Fees paid to SHFA are exclusive of all custodial and transaction costs paid to the client's custodian, brokers or other third party consultants. Fees paid to SHFA are also separate and distinct from the fees and expenses charged by mutual funds, ETFs (exchange traded funds) or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund's prospectus or offering materials). The client should review all fees charged by funds, brokers, SHFA and others to fully understand the total amount of fees paid by the client for investment and financial-related services.

### **Financial Planning Fees**

SHFA may furnish investment analysis and advice through consultations on an hourly basis, which would be billed at the rate of \$250 per hour.

SHFA also consults with clients regarding other more general financial planning topics. This financial planning service is provided on an hourly basis, which would be billed at the rate of \$250 per hour.

### **Investment Management Fees**

The annual fee schedule, based on a percentage of assets under management, is as follows:

First \$250,000	1.25%
Next \$250,000	1.00%
Next \$2,000,000	0.65%
Next \$5,000,000	0.40%
Balance over \$7,500,000	0.20%

SHFA may impose a minimum portfolio value. SHFA may, at its discretion, make exceptions to the foregoing or negotiate special fee arrangements where SHFA deems it appropriate under the circumstances.

Investment management fees are generally payable quarterly, in advance. If management begins after the start of a quarter, fees will be prorated accordingly. Fees are normally debited directly from client account(s), unless other arrangements are made.

Fees are prorated for cash flows exceeding \$5,000. When amounts of at least \$5,000 are deposited to or withdrawn from a managed account in between our regular billing cycles, a pro-rata management fee is calculated and added to or deducted from the client's fee for the following quarter. This pro-rata fee is determined by dividing the number of days remaining in the billing quarter (from the date of the transaction) by the total days in the billing quarter, multiplying this ratio by the additional amount deposited or withdrawn, and multiplying the resulting number by the quarterly management percentage, based on the rates listed above.

Either SHFA or the client may terminate their Investment Management Agreement at any time, subject to any written notice requirements in the agreement. In the event of termination, any paid but unearned fees will be promptly refunded to the client, and any fees due to SHFA from the client will be invoiced or deducted from the client's account prior to termination.

### Investment Consulting Fees

When SHFA provides investment consulting services to clients, these services are generally separate from SHFA's financial planning and investment management services. Fees for investment consulting are negotiated at the time of the engagement for such services, and are normally based on a fixed fee based on the complexity of the client's circumstances.

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

SHFA does not have any performance-based fee arrangements. "Side by Side Management" refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because SHFA has no performance-based fee accounts, it has no side-by-side management.

### ***Item 7 - Types of Clients***

SHFA serves individuals, pension and profit-sharing plans, corporations, trusts, estates, professional associations and not-for-profit organizations. SHFA may impose a minimum portfolio value for conventional investment advisory services. Under certain circumstances and in its sole discretion, SHFA may negotiate such minimums.

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

#### Methods of Analysis

In accordance with the Investment Plan, SHFA will primarily invest in mutual funds and ETF's. These investments are generally evaluated and selected based on a variety of factors, including, without limitation, past performance, fee structure, portfolio manager, fund sponsor, overall ratings for safety and returns, and other factors.

Fixed income investments may be used as a strategic investment, as an instrument to fulfill liquidity or income needs in a portfolio, or to add a component of capital preservation. SHFA may evaluate and select bond funds or occasionally individual bonds based on a number of factors including, without limitation, rating, yield and duration.

SHFA obtains information and data from various sources, such as Morningstar, *The Wall Street Journal*, *Barron's*, *Forbes*, Federal Reserve Bank of Atlanta's *Economic Review*, *No-Load Fund Investor*, *Advisor Intelligence*, as well as annual reports and prospectuses.

#### Investment Strategies:

SHFA's strategic approach is to invest each portfolio in accordance with the Plan that has been developed specifically for each client. SHFA employs a strategy of utilizing primarily a well-diversified array of no-load mutual funds. Depending on the needs of the client and the performance of the particular investment, SHFA may utilize a long-term purchase strategy (securities held at least a year) or a short-term purchase strategy (securities held less than a year).

#### Risk of Loss

While SHFA seeks to diversify clients' investment portfolios across various asset classes consistent with their Investment Plans in an effort to reduce risk of loss, all investment portfolios are subject to risks. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money.

Below is a description of several of the principal risks that client investment portfolios face.

*Management Risks.* While SHFA manages client investment portfolios based on SHFA's experience, research and proprietary methods, the value of client investment portfolios will change daily based on the performance of the underlying securities in which they are invested. Accordingly, client investment portfolios are subject to the risk that SHFA allocates assets to asset classes that are adversely affected by unanticipated market movements, and the risk that SHFA's specific investment choices could underperform their relevant indexes.

*Risks of Investments in Mutual Funds, ETFs and Other Investment Pools.* As described above, SHFA will invest client portfolios in mutual funds, ETFs and other investment pools ("pooled investment funds"). Investments in pooled investment funds are generally less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment funds' success will be related to the skills of their particular managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940.

*Equity Market Risks.* SHFA will generally invest portions of client assets directly into equity investments, primarily into pooled investment funds that invest in the stock market. As noted above, while pooled investments have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects.

*Fixed Income Risks.* SHFA may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

*Foreign Securities Risks.* SHFA may invest portions of client assets into pooled investment funds that invest internationally. While foreign investments are important to the diversification of client investment portfolios, they carry risks that may be different from U.S. investments. For example, foreign investments may not be subject to uniform audit, financial reporting or disclosure standards, practices or requirements comparable to those found in the U.S. Foreign investments are also subject to foreign withholding taxes and the risk of adverse changes in investment or exchange control regulations. Finally, foreign investments may involve currency risk, which is the risk that the value of the foreign security will decrease due to changes in the relative value of the U.S. dollar and the security's underlying foreign currency.

#### ***Item 9 - Disciplinary Information***

SHFA has no disciplinary events to report.

### ***Item 10 - Other Financial Industry Activities and Affiliations***

Neither SHFA nor its Management Persons have any other financial industry activities or affiliations to report.

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

#### **Code of Ethics and Personal Trading**

SHFA has adopted a Code of Ethics ("the Code"), the full text of which is available to you upon request. SHFA's Code has several goals. First, the Code is designed to assist SHFA in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisers Act of 1940, SHFA owes fiduciary duties to its clients. Pursuant to these fiduciary duties, the Code requires SHFA associated persons to act with honesty, good faith and fair dealing in working with clients. In addition, the Code prohibits associated persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards for SHFA's associated persons (managers, officers and employees). Under the Code's Professional Standards, SHFA expects its associated persons to put the interests of its clients first, ahead of personal interests. In this regard, SHFA associated persons are not to take inappropriate advantage of their positions in relation to SHFA clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time SHFA's associated persons may invest in the same securities recommended to clients. Under its Code, SHFA has adopted procedures designed to reduce or eliminate conflicts of interest that this could potentially cause. The Code's personal trading policies include procedures for limitations on personal securities transactions of associated persons, reporting and review of such trading and pre-clearance of certain types of personal trading activities. These policies are designed to discourage and prohibit personal trading that would disadvantage clients. The Code also provides for disciplinary action as appropriate for violations.

#### **Participation or Interest in Client Transactions**

Because client accounts are invested almost exclusively in open-end mutual funds and ETF's, there is little opportunity for a conflict of interest between personal trades by SHFA associated persons and trades in client accounts, even when such accounts invest in the same securities. However, in the event of other identified potential trading conflicts of interest, SHFA's goal is to place client interests first.

Consistent with the foregoing, SHFA maintains policies regarding participation in initial public offerings (IPOs) and private placements in order to comply with applicable laws and avoid conflicts with client transactions. If a SHFA associated person wishes to participate in an IPO or invest in a private placement, he or she must submit a pre-clearance request and obtain the approval of the Chief Compliance Officer. If associated persons trade with client accounts (e.g., in a bundled or aggregated trade), and the trade is not filled in its entirety, the associated person's shares will be removed from the block, and the balance of shares will be allocated among client accounts in accordance with SHFA's written policy.

## ***Item 12 - Brokerage Practices***

### **Best Execution and Benefits of Brokerage Selection**

When given discretion to select the brokerage firm that will execute orders in client accounts, SHFA seeks “best execution” for client trades, which is a combination of a number of factors, including, without limitation, quality of execution, services provided and commission rates. Therefore, SHFA may use or recommend the use of brokers who do not charge the lowest available commission in the recognition of research and securities transaction services, or quality of execution. Research services received with transactions may include proprietary or third party research (or any combination), and may be used in servicing any or all of SHFA’s clients. Therefore, research services received may not be used for the account for which the particular transaction was effected.

SHFA may recommend that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. (Schwab), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients’ assets. SHFA may also effect trades for client accounts at Schwab, or may in some instances, consistent with SHFA’s duty of best execution and specific agreement with each client, elect to execute trades elsewhere. Although SHFA may recommend that clients establish accounts at Schwab, it is ultimately the client’s decision to custody assets with Schwab. SHFA is independently owned and operated and is not affiliated with Schwab.

Schwab provides SHFA with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as SHFA maintains a pre-established minimum amount of client assets in accounts at Schwab Advisor Services. Schwab’s brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For SHFA client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts. Schwab Advisor Services also makes available to SHFA other products and services that benefit SHFA but may not directly benefit its clients’ accounts. Many of these products and services may be used to service all or some substantial number of SHFA accounts, including accounts not maintained at Schwab.

Schwab’s products and services that assist SHFA in managing and administering clients’ accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of SHFA’s fees from its clients’ accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Advisor Services also offers other services intended to help SHFA manage and further develop its business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to SHFA. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to

SHFA. Schwab Advisor Services may also provide other benefits such as educational events or occasional business entertainment of SHFA personnel. In evaluating whether to recommend that clients custody their assets at Schwab, SHFA may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

#### Directed Brokerage

Clients may direct SHFA to use a particular broker for custodial or transaction services on behalf of the client's portfolio. In directed brokerage arrangements, the client is responsible for negotiating the commission rates and other fees to be paid to the broker. Accordingly, a client who directs brokerage should consider whether such designation may result in certain costs or disadvantages to the client, either because the client may pay higher commissions or obtain less favorable execution, or the designation limits the investment options available to the client.

The arrangement that SHFA has with Schwab is designed to maximize efficiency and to be cost effective. By directing brokerage arrangements, the client acknowledges that these economies of scale and levels of efficiency are generally compromised when alternative brokers are used. While every effort is made to treat clients fairly over time, the fact that a client chooses to use the brokerage and/or custodial services of these alternative service providers may in fact result in a certain degree of delay in executing trades for their account(s) and otherwise adversely affect management of their account(s).

By directing SHFA to use a specific broker or dealer, clients who are subject to ERISA confirm and agree with SHFA that they have the authority to make the direction, that there are no provisions in any client or plan document which are inconsistent with the direction, that the brokerage and other goods and services provided by the broker or dealer through the brokerage transactions are provided solely to and for the benefit of the client's plan, plan participants and their beneficiaries, that the amount paid for the brokerage and other services have been determined by the client and the plan to be reasonable, that any expenses paid by the broker on behalf of the plan are expenses that the plan would otherwise be obligated to pay, and that the specific broker or dealer is not a party in interest of the client or the plan as defined under applicable ERISA regulations.

#### Aggregated Trade Policy

SHFA typically directs trading in individual client accounts as and when trades are appropriate based on the client's Investment Plan, without regard to activity in other client accounts. However, from time to time, SHFA may aggregate trades together for multiple client accounts, most often when these accounts are being directed to sell the same securities at the same time. If such an aggregated trade is not completely filled, SHFA will allocate shares received (in an aggregated purchase) or sold (in an aggregated sale) across participating accounts on a pro rata or other fair basis; provided, however, that any participating accounts that are owned by SHFA or its officers, directors, or employees will be excluded first.

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

Clients who have contracted for ongoing financial planning services receive annual reviews, if they so desire. However, if a client's circumstances dictate, the client's situation will be reviewed on a more frequent basis. Investment management clients' accounts are reviewed for asset allocation rebalancing purposes at least once in a twelve month period, or more frequently if an investment holding is changed, if money flows into or out of an account, if a client's circumstances change, or if

external events warrant a more frequent rebalancing. As a part of the overall investment management program, there is a monthly review of the investments used in clients' accounts. Periodic review of the goals and circumstances of investment management clients are conducted as often as necessary. Clients are encouraged to have such reviews on at least an annual basis. There is no set minimum or maximum number of accounts assigned to reviewers. Financial planning and investment management reviews may involve one to two CERTIFIED FINANCIAL PLANNER™ practitioners.

Account custodians are responsible for providing monthly or quarterly account statements which reflect the positions (and current pricing) in each account as well as transactions in each account, including fees paid from an account. Account custodians also provide prompt confirmation of all trading activity, and year-end tax statements, such as 1099 forms. In addition, SHFA provides at least an annual report for each managed portfolio. This written report normally includes a summary of portfolio holdings and performance results. Additional reports are available at the request of the client.

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

As noted above, SHFA may receive some benefits from Schwab based on the amount of client assets held at Schwab. Please see ***Brokerage Practices*** for more information.

In the past, SHFA had entered into arrangements with third parties ("Solicitors") to identify and refer potential clients to SHFA. While these agreements have been terminated, SHFA still has some clients that were referred in this manner, and therefore SHFA still pays a portion of the advisory fee received from those accounts to those former Solicitors.

#### ***Item 15 - Custody***

Schwab is the custodian of nearly all client accounts at SHFA. From time to time however, clients may select an alternate broker to hold accounts in custody. In any case, it is the custodian's responsibility to provide clients with confirmations of trading activity, tax forms and at least quarterly account statements. Clients are advised to review this information carefully, and to notify SHFA of any questions or concerns. Clients are also asked to promptly notify SHFA if the custodian fails to provide statements on each account held.

From time to time and in accordance with SHFA's agreement with clients, SHFA will provide additional reports. The account balances reflected on these reports should be compared to the balances shown on the brokerage statements to ensure accuracy. At times there may be small differences due to the timing of dividend reporting and pending trades.

#### ***Item 16 - Investment Discretion***

As described above under ***Advisory Business***, SHFA manages portfolios on a discretionary basis. This means that after an Investment Plan is developed for the client's investment portfolio, SHFA will execute that plan without specific consent from the client for each transaction. For discretionary accounts, a Limited Power of Attorney ("LPOA") is executed by the client, giving SHFA the authority to carry out various activities in the account, generally including the following: trade execution; the ability to request checks on behalf of the client; and, the withdrawal of advisory fees directly from the account. SHFA then directs investment of the client's portfolio using its discretionary authority. The client may limit the terms of the LPOA to the extent consistent with the client's investment advisory agreement with SHFA and the requirements of the client's

custodian. The discretionary relationship is further described in the agreement between SHFA and the client.

***Item 17 - Voting Client Securities***

As a policy and in accordance with SHFA's client agreement, SHFA does not vote proxies related to securities held in client accounts. The custodian of the account will normally provide proxy materials directly to the client. Clients may contact SHFA with questions relating to proxy procedures and proposals; however, SHFA generally does not research particular proxy proposals.

***Item 18 - Financial Information***

SHFA does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore has no disclosure required for this item.

**Brochure Supplement for**  
**Thomas B. Sherrill, CFP®**

**CRD# 825944**

**of**

**Sherrill & Hutchins Financial Advisory, Inc.**

200 Ashford Center North  
Suite 325  
Atlanta, Georgia 30338

(770) 395-9797

[www.SH-Advisors.com](http://www.SH-Advisors.com)

May 5, 2011

This brochure supplement provides information about Tom Sherrill, and supplements the Sherrill & Hutchins Financial Advisory, Inc. ("SHFA") brochure. You should have received a copy of that brochure. Please contact SHFA at (770) 395-9797 if you did not receive SHFA's brochure, or if you have any questions about the contents of this supplement.

Additional information about Tom Sherrill is available on the SEC's website at  
[www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

---

***Educational Background and Business Experience***

Thomas B. Sherrill (year of birth 1946) co-founded Sherrill & Hutchins Financial Advisory, Inc. in 1984. In addition to working with new and existing clients on their financial planning and investment needs, Tom serves as President and Chairman of the Board and leads SHFA's business development efforts. He is also responsible for SHFA's communications, including the *Sherrill & Hutchins Quarterly Newsletter* and the *S&H Digest*. Tom has worked in the area of financial services since 1975.

Tom received his CERTIFIED FINANCIAL PLANNER™ certification\* in 1984. He earned his B.A. degree from Georgia State University and his M.A. degree from the University of Virginia.

Tom served four years of active duty in the U.S. Army, leaving the service with the rank of captain in 1975. For eight years, he served in the Georgia House of Representatives and was appointed by the Governor of Georgia to the State Council on Aging. He has chaired the board of the Georgia Chapter of the Alzheimer's Association. Tom currently serves on the board of KIPP South Fulton Academy, the Thanks Mom and Dad Fund®, and the Atlanta Regional Board of the Alzheimer's Association.

\* The CFP® certification is granted by Certified Financial Planner Board of Standards, Inc. (CFP Board). To attain the certification, the candidate must complete the required educational, examination and experience requirements set forth by CFP Board. Certain designations, such as the CPA, CFA and others may satisfy the education component, and allow a candidate to sit for the CFP® Certification Examination. The Examination tests the candidate's ability to apply financial planning knowledge to client situations. The 10-hour exam is divided into three separate sessions over a 2-day period. At least 3 years of qualifying full-time work experience are required for certification. Qualifying experience includes work in the area of the delivery of the personal financial planning process to clients, the direct support or supervision of others in the personal financial planning process, or teaching all, or any portion, of the personal financial planning process.

### ***Disciplinary Information***

There is no disciplinary information to report regarding Tom.

### ***Other Business Activities***

Tom is not engaged in any other business activities.

### ***Additional Compensation***

Tom has no other income or compensation to disclose.

### ***Supervision***

Tom Sherrill is the President and co-owner of SHFA. Rick Hutchins is the Vice President and co-owner of SHFA and also serves as Chief Compliance Officer.

Overall investment decisions are made as a team by the investment committee, and portfolio activity based on these decisions will be carried out by various individuals in the firm. As Chief Compliance Officer, Rick is responsible for providing supervisory oversight to the staff; however, Rick also participates as a team member in the investment and trading processes. Rick may be contacted at (770) 395-9797.

**Brochure Supplement for**  
**William F. Hutchins, Jr., CFP®**

**CRD# 1254575**

**of**

**Sherrill & Hutchins Financial Advisory, Inc.**

200 Ashford Center North  
Suite 325  
Atlanta, Georgia 30338

(770) 395-9797

[www.SH-Advisors.com](http://www.SH-Advisors.com)

May 5, 2011

This brochure supplement provides information about Rick Hutchins, and supplements the Sherrill & Hutchins Financial Advisory, Inc. ("SHFA") brochure. You should have received a copy of that brochure. Please contact SHFA at (770) 395-9797 if you did not receive SHFA's brochure, or if you have any questions about the contents of this supplement.

Additional information about Rick Hutchins is available on the SEC's website at  
[www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

---

***Educational Background and Business Experience***

William F. Hutchins, Jr. (year of birth 1950) co-founded Sherrill & Hutchins Financial Advisory, Inc. in 1984. He is co-owner and serves as Vice President and Chief Compliance Officer. As Chief Investment Officer, Rick oversees SHFA's portfolio management services and chairs the Investment Committee. He has helped clients with their financial planning and investment management needs for over 27 years.

Rick received his CERTIFIED FINANCIAL PLANNER™ certification\* in 1987. Rick earned his B.S. degree from the Georgia Institute of Technology.

Rick's experience includes twelve years of engineering, management, accounting, and information system design at Southern Bell. Rick served on the board of directors of the Sandy Springs and North Fulton Chambers of Commerce. He is an active member of Mount Vernon Baptist Church where he continues to serve in various leadership positions.

\* The CFP® certification is granted by Certified Financial Planner Board of Standards, Inc. (CFP Board). To attain the certification, the candidate must complete the required educational, examination and experience requirements set forth by CFP Board. Certain designations, such as the CPA, CFA and others may satisfy the education component, and allow a candidate to sit for the CFP® Certification Examination. The Examination tests the candidate's ability to apply financial planning knowledge to client situations. The 10-hour exam is divided into three separate sessions over a 2-day period. At least 3 years of qualifying full-time work experience are required for certification. Qualifying experience includes work in the area of the delivery of the personal financial planning process to clients, the direct support or supervision of others in the personal financial planning process, or teaching all, or any portion, of the personal financial planning process.

### ***Disciplinary Information***

There is no disciplinary information to report regarding Rick.

### ***Other Business Activities***

Rick is not engaged in any other business activities.

### ***Additional Compensation***

Rick has no other income or compensation to disclose.

### ***Supervision***

Tom Sherrill is the President and co-owner of SHFA. Rick Hutchins is the Vice President and co-owner of SHFA and also serves as Chief Compliance Officer.

Overall investment decisions are made as a team by the investment committee, and portfolio activity based on these decisions will be carried out by various individuals in the firm. As Chief Compliance Officer, Rick is responsible for providing supervisory oversight to the staff; however, Rick also participates as a team member in the investment and trading processes. Rick may be contacted at (770) 395-9797.

**Brochure Supplement for**  
**Roger T. Harmon, CFP®**

**CRD# 4710176**

**of**

**Sherrill & Hutchins Financial Advisory, Inc.**

200 Ashford Center North  
Suite 325  
Atlanta, Georgia 30338

(770) 395-9797

[www.SH-Advisors.com](http://www.SH-Advisors.com)

May 5, 2011

This brochure supplement provides information about Roger Harmon, and supplements the Sherrill & Hutchins Financial Advisory, Inc. ("SHFA") brochure. You should have received a copy of that brochure. Please contact SHFA at (770) 395-9797 if you did not receive SHFA's brochure, or if you have any questions about the contents of this supplement.

Additional information about Roger Harmon is available on the SEC's website at  
[www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

---

***Educational Background and Business Experience***

Roger T. Harmon (year of birth 1949) joined Sherrill & Hutchins Financial Advisory, Inc. in 1997 and is a member of the Investment Committee. In addition to working with clients, Roger's responsibilities include researching, developing, and implementing SHFA's long term investment strategies.

Roger received his CERTIFIED FINANCIAL PLANNER™ certification\* in 1999 and is a member of the Financial Planning Association. He earned his B.S.B.A. degree from The University of Florida.

Roger's experience includes a twenty-five year career with BellSouth, where he directed organizations responsible for business research and economic forecasting, real estate operations, financial analysis of federal regulatory issues, as well as development of financial and management accounting processes and systems. He has provided support and consultation on the administration of employee benefits, including pension, insurance, and compensation plans.

\* The CFP® certification is granted by Certified Financial Planner Board of Standards, Inc. (CFP Board). To attain the certification, the candidate must complete the required educational, examination and experience requirements set forth by CFP Board. Certain designations, such as the CPA, CFA and others may satisfy the education component, and allow a candidate to sit for the CFP® Certification Examination. The Examination tests the candidate's ability to apply financial planning knowledge to client situations. The 10-hour exam is divided into three separate sessions over a 2-day period. At least 3 years of qualifying full-time work experience are required for certification. Qualifying experience includes work in the area of the delivery of the personal financial planning process to clients, the direct support or supervision of others in the personal financial planning process, or teaching all, or any portion, of the personal financial planning process.

***Disciplinary Information***

There is no disciplinary information to report regarding Roger.

***Other Business Activities***

Roger is not engaged in any other business activities.

***Additional Compensation***

Roger has no other income or compensation to disclose.

***Supervision***

Tom Sherrill and Rick Hutchins, owners of SHFA are responsible for supervising Roger and for reviewing accounts. Tom and Rick can be reached at (770) 395-9797.

**Brochure Supplement for**  
**Barbara J. Wiley, CFP®**

**CRD# 4710179**

**of**

**Sherrill & Hutchins Financial Advisory, Inc.**

200 Ashford Center North  
Suite 325  
Atlanta, Georgia 30338

(770) 395-9797

[www.SH-Advisors.com](http://www.SH-Advisors.com)

May 5, 2011

This brochure supplement provides information about Barbara Wiley, and supplements the Sherrill & Hutchins Financial Advisory, Inc. ("SHFA") brochure. You should have received a copy of that brochure. Please contact SHFA at (770) 395-9797 if you did not receive SHFA's brochure, or if you have any questions about the contents of this supplement.

Additional information about Barbara Wiley is available on the SEC's website at  
[www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

---

***Educational Background and Business Experience***

Barbara J. Wiley (year of birth 1952) joined Sherrill & Hutchins Financial Advisory, Inc. in 1999 and chairs the Financial Planning Committee. Beyond working with new and existing clients, Barbara's responsibilities include researching planning opportunities, especially in the area of tax planning.

Barbara received her CERTIFIED FINANCIAL PLANNER™ certification\* in 1996 and is a member of the Financial Planning Association. She earned her B.B.A. degree from the University of Wisconsin and her M.S. degree from Georgia State University.

Barbara began her professional career with eleven years in banking, which included both commercial lending and accounting activities. After leaving the banking field, she joined the tax department of a local CPA firm. Barbara worked with various CPA firms for eleven years, furnishing financial planning and tax services.

\* The CFP® certification is granted by Certified Financial Planner Board of Standards, Inc. (CFP Board). To attain the certification, the candidate must complete the required educational, examination and experience requirements set forth by CFP Board. Certain designations, such as the CPA, CFA and others may satisfy the education component, and allow a candidate to sit for the CFP® Certification Examination. The Examination tests the candidate's ability to apply financial planning knowledge to client situations. The 10-hour exam is divided into three separate sessions over a 2-day period. At least 3 years of qualifying full-time work experience are required for certification. Qualifying experience includes work in the area of the delivery of the personal financial planning process to clients, the direct support or supervision of others in the personal financial planning process, or teaching all, or any portion, of the personal financial planning process.

### ***Disciplinary Information***

There is no disciplinary information to report regarding Barbara.

### ***Other Business Activities***

Barbara is not engaged in any other business activities.

### ***Additional Compensation***

Barbara has no other income or compensation to disclose.

### ***Supervision***

Tom Sherrill and Rick Hutchins, owners of SHFA are responsible for supervising Barbara and for reviewing accounts. Tom and Rick can be reached at (770) 395-9797.

**Brochure Supplement for**  
**Jessica Sherrill De Souza, CFP®**

**CRD# 5472765**

**of**

**Sherrill & Hutchins Financial Advisory, Inc.**

200 Ashford Center North  
Suite 325  
Atlanta, Georgia 30338

(770) 395-9797

[www.SH-Advisors.com](http://www.SH-Advisors.com)

May 5, 2011

This brochure supplement provides information about Jessica Sherrill De Souza, and supplements the Sherrill & Hutchins Financial Advisory, Inc. ("SHFA") brochure. You should have received a copy of that brochure. Please contact SHFA at (770) 395-9797 if you did not receive SHFA's brochure, or if you have any questions about the contents of this supplement.

Additional information about Jessica Sherrill De Souza is available on the SEC's website at  
[www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

---

***Educational Background and Business Experience***

Jessica Sherrill De Souza (year of birth 1973) joined Sherrill & Hutchins Financial Advisory, Inc. in 1999. Jessica is a member of the Financial Planning Committee and heads up the Operations Committee. She works with clients to develop and update their financial plans and strategies.

Jessica received her CERTIFIED FINANCIAL PLANNER™ certification\* in 2007. She earned her B.B.A. degree from Georgia State University.

Jessica began her professional career at a small Atlanta firm as the business manager with accounting responsibilities.

\* The CFP® certification is granted by Certified Financial Planner Board of Standards, Inc. (CFP Board). To attain the certification, the candidate must complete the required educational, examination and experience requirements set forth by CFP Board. Certain designations, such as the CPA, CFA and others may satisfy the education component, and allow a candidate to sit for the CFP® Certification Examination. The Examination tests the candidate's ability to apply financial planning

knowledge to client situations. The 10-hour exam is divided into three separate sessions over a 2-day period. At least 3 years of qualifying full-time work experience are required for certification. Qualifying experience includes work in the area of the delivery of the personal financial planning process to clients, the direct support or supervision of others in the personal financial planning process, or teaching all, or any portion, of the personal financial planning process.

***Disciplinary Information***

There is no disciplinary information to report regarding Jessica.

***Other Business Activities***

Jessica is not engaged in any other business activities.

***Additional Compensation***

Jessica has no other income or compensation to disclose.

***Supervision***

Tom Sherrill and Rick Hutchins, owners of SHFA are responsible for supervising Jessica and for reviewing accounts. Tom and Rick can be reached at (770) 395-9797.

**Brochure Supplement for**  
**Theodore L. Noble, CFP®**

**CRD# 5472817**

**of**

**Sherrill & Hutchins Financial Advisory, Inc.**

200 Ashford Center North  
Suite 325  
Atlanta, Georgia 30338

(770) 395-9797

[www.SH-Advisors.com](http://www.SH-Advisors.com)

May 5, 2011

This brochure supplement provides information about Ted Noble, and supplements the Sherrill & Hutchins Financial Advisory, Inc. ("SHFA") brochure. You should have received a copy of that brochure. Please contact SHFA at (770) 395-9797 if you did not receive SHFA's brochure, or if you have any questions about the contents of this supplement.

Additional information about Ted Noble is available on the SEC's website at  
[www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

---

***Educational Background and Business Experience***

Theodore L. Noble (year of birth 1970) joined Sherrill & Hutchins Financial Advisory, Inc. in 2000. In addition to working with clients to develop and update their financial plans and strategies, Ted is a member of the Financial Planning Committee.

Ted received his CERTIFIED FINANCIAL PLANNER™ certification\* in 2007. He earned his B.S. degree from Berry College and began his professional career working in various areas of accounting and finance.

\* The CFP® certification is granted by Certified Financial Planner Board of Standards, Inc. (CFP Board). To attain the certification, the candidate must complete the required educational, examination and experience requirements set forth by CFP Board. Certain designations, such as the CPA, CFA and others may satisfy the education component, and allow a candidate to sit for the CFP® Certification Examination. The Examination tests the candidate's ability to apply financial planning knowledge to client situations. The 10-hour exam is divided into three separate sessions over a 2-day period. At least 3 years of qualifying full-time work experience are required for certification.

Qualifying experience includes work in the area of the delivery of the personal financial planning process to clients, the direct support or supervision of others in the personal financial planning process, or teaching all, or any portion, of the personal financial planning process.

***Disciplinary Information***

There is no disciplinary information to report regarding Ted.

***Other Business Activities***

Ted is not engaged in any other business activities.

***Additional Compensation***

Ted has no other income or compensation to disclose.

***Supervision***

Tom Sherrill and Rick Hutchins, owners of SHFA are responsible for supervising Ted and for reviewing accounts. Tom and Rick can be reached at (770) 395-9797.

**Brochure Supplement for**  
**William F. Hutchins, III, CFP®**

**CRD# 5879789**

**of**

**Sherrill & Hutchins Financial Advisory, Inc.**

200 Ashford Center North  
Suite 325  
Atlanta, Georgia 30338

(770) 395-9797

[www.SH-Advisors.com](http://www.SH-Advisors.com)

May 5, 2011

This brochure supplement provides information about Ricky Hutchins, and supplements the Sherrill & Hutchins Financial Advisory, Inc. ("SHFA") brochure. You should have received a copy of that brochure. Please contact SHFA at (770) 395-9797 if you did not receive SHFA's brochure, or if you have any questions about the contents of this supplement.

Additional information about Ricky Hutchins is available on the SEC's website at  
[www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

---

***Educational Background and Business Experience***

William F. Hutchins, III (year of birth 1984) joined Sherrill & Hutchins Financial Advisory, Inc. in 2007. Ricky works with clients to develop and update their financial plans and strategies. He is a member of the Investment Committee and Financial Planning Committee. Ricky also researches technology developments for SHFA.

Ricky received his CERTIFIED FINANCIAL PLANNER™ certification\* in 2011. Ricky earned his B.S.B.A. degree from Samford University.

\* The CFP® certification is granted by Certified Financial Planner Board of Standards, Inc. (CFP Board). To attain the certification, the candidate must complete the required educational, examination and experience requirements set forth by CFP Board. Certain designations, such as the CPA, CFA and others may satisfy the education component, and allow a candidate to sit for the CFP® Certification Examination. The Examination tests the candidate's ability to apply financial planning knowledge to client situations. The 10-hour exam is divided into three separate sessions over a 2-day period. At least 3 years of qualifying full-time work experience are required for certification.

Qualifying experience includes work in the area of the delivery of the personal financial planning process to clients, the direct support or supervision of others in the personal financial planning process, or teaching all, or any portion, of the personal financial planning process.

***Disciplinary Information***

There is no disciplinary information to report regarding Ricky.

***Other Business Activities***

Ricky is not engaged in any other business activities.

***Additional Compensation***

Ricky has no other income or compensation to disclose.

***Supervision***

Tom Sherrill and Rick Hutchins, owners of SHFA are responsible for supervising Ricky and for reviewing accounts. Tom and Rick can be reached at (770) 395-9797.