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**FORM ADV PART 2A.
BROCHURE**

This brochure provides information about the qualifications and business practices of William Howard & Co. Financial Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at 901-761-5068. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about William Howard & Co. Financial Advisors, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for William Howard & Co. Financial Advisors, Inc. is 105959.

William Howard & Co. Financial Advisors, Inc. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

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Advisory Business

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William Howard & Co. Financial Advisors, Inc.'s registration was granted by the U.S. Securities and Exchange Commission on January 28, 1988. William Barker Howard, Jr. (CRD Number 1040874) is President and Chief Executive Officer of the firm. Mr. Howard owns ninety (90%) percent of the equity of the firm. The firm is not publicly owned or traded. There are no indirect owners of the firm or intermediaries who have any ownership interest in the firm. The firm manages each client's portfolio on an individualized basis. Clients may impose restrictions on their accounts. The firm does not participate in wrap programs. As of December 31, 2011, the firm managed assets on a discretionary basis in the amount of \$118,447,574, representing 266 accounts (75 clients) and on a nondiscretionary basis in the amount of \$7,705,588 representing 81 accounts (49 clients).

William Howard & Co. Financial Advisors, Inc. provides investment supervisory services. The fees for investment supervisory services are based on the market value of assets under management at the end of each calendar quarter and are payable at the end of each calendar quarter. William Howard & Co. Financial Advisors, Inc. receives approximately 90 percent of total advisory billings from this service.

William Howard & Co. Financial Advisors, Inc. investment supervisory services are implemented by following a six step process described below.

Step 1: Develop a written investment policy: This policy includes quantifying investment objectives, setting investment parameters and constraints, establishing procedures for selecting money managers or mutual funds, defining appropriate asset classes, i.e., cash, bonds, and stocks, and establishing acceptable procedures for comparing and evaluating investment managers or mutual funds. This policy will be used to measure future performance and consistency of the portfolio meeting the investment philosophy, risk tolerance, and long-term goals of our clients.

Step2: Analyze current investment portfolio: This entails an analysis of current investment activities and a review of current investment policies and strategies.

Step 3: Design an optimal portfolio: We incorporate computer technology in tailoring efficient portfolio's that diversify across broad categories of investments. This takes into account the relationships (or correlation) of these investments, standard deviation and potential returns of asset classes. The result is an individually designed portfolio that reflects the clients' priorities.

Step 4: Implement investment policy. We follow the parameters and constraints defined in the investment policy and select the investment managers whose risk level and performance in a given asset class is consistent with the client's investment policy. This phase involves screening investment managers and in many cases translates into selecting a range of five to ten managers for each portfolio. Custody and discount brokerage services are coordinated with Charles Schwab.

Step 5: Monitor and Supervise: We provide ongoing supervision of investment policy and investment strategies and prepare quarterly performance reports.

Step 6: Rebalance the portfolio: Fine tuning or rebalancing the portfolio is an essential function. Changes in the financial markets increase or decrease the overall mix of investments and adjustments are required in order to retain the desired asset allocation and meet the investment policy standards.

William Howard & Co. Financial Advisors, Inc. furnishes advice to clients on matters not involving securities. The services provided are Financial Advisory Services. William Howard & Co. Financial Advisors Inc. receives approximately 10 percent of total advisory billings from this service.

Financial Advisory Services fall under one of the following categories:

Comprehensive Financial Planning—an in-depth analysis which reviews, evaluates and recommends alternatives to accomplishing client goals and objectives in the areas of insurance planning, education planning, investment planning, tax planning, retirement planning, estate planning and business planning.

Single Purpose Planning—an in-depth analysis which reviews, evaluates and recommends alternatives to accomplishing client goals and objectives regarding one or more areas of special concern, i.e., investment planning, retirement planning, estate planning, etc.

Consultation Planning—includes written or verbal recommendations on financial planning or business planning issues.

Annual Retainer—includes plan monitoring, revisions, client meetings and dbCAMS update reports, i.e., financial statements, investment, income, insurance, ownership, performance schedules, etc. Since financial goals, resources, tax laws, investment philosophy, etc., change, it is necessary to make planning a continuing process, so modification can be implemented as warranted. This continuing process also allows us the ability of monitoring the progress of our actions. We feel the described service is essential to any successful financial planning.

The reports used in providing these services include Financial Statements, Financial Summaries, Schedules of Assets, Schedules of Asset Ownership, Schedules of Insurance, Cash Flow Analysis, Insurance Needs Analysis, Income Tax Projections, Portfolio Analysis, Education Funding Analysis, Retirement Capital Projections, Analysis for Retirement Plan Distributions and Estate Tax Analysis.

Fees and Compensation

Form ADV Part 2A, Item 5

Because mutual funds pay advisory fees to their investment advisor and such fees are therefore indirectly charged to shareholders of mutual fund shares, clients with mutual funds in their portfolios are effectively paying both the applicant and the mutual fund adviser for the management of their assets. Clients who place mutual fund shares under the applicant's management are therefore subject to both the applicant's direct management fee and the indirect management fee of the mutual fund's adviser.

The investment supervisory services may be terminated by either party by giving written notice to the other at any time. The written termination notice shall become effective as soon as notice is received by Advisor in the case of notice given by client. In the case of notice given by Advisor, 30 calendar days after it is delivered to Client. If this Agreement is terminated by Client, fees will be pro-rated to date of termination plus any unbilled expenses of Advisor.

No fees are based upon capital gains or capital appreciation of assets. Fees may be paid by Client directly, or Client may enter into an agreement with one of the Investment Managers or Broker-Dealers whereby they deduct the Advisor's fee from Client's accounts and directly remit fees to Advisor.

Fees are calculated at the following annual rates and are not negotiable.

<u>Market Value of Assets Under Management</u>	<u>Annual Rate</u>
\$100,000–\$249,999	1.95%
\$250,000–\$499,999	1.75%
\$500,000–\$749,999	1.50%
\$750,000–\$999,999	1.25%
\$1,000,000–\$1,999,999	1.00%
\$2,000,000–\$2,999,999	.80%
\$3,000,000–\$3,999,999	.65%
\$4,000,000–\$7,999,999	.50%
\$8,000,000–\$9,999,999	.40%
\$10,000,000+	.35%

Corporate Retirement Plans with a limited choice of investments:

<u>Market Value of Assets Under Management</u>	<u>Annual Rate</u>
\$100,000–\$249,999	.975%
\$250,000–\$499,999	.875%
\$500,000–\$749,999	.750%
\$750,000–\$999,999	.625%
\$1,000,000+	.500%

The fee for providing advice to clients on matters not involving securities is based on the time required to perform the service, the complexity of the client's circumstances and the experience level of the person performing this work. The fee range is calculated on an hourly rate and is given to the client prior to performing the selected service.

The rates for professional time range from \$250.00 per hour (depending on the experience level of the professional), staff time \$100.00 per hour and administrative time \$25.00 per hour. The basis for charging fees is not negotiable.

A deposit of one-half of the estimated fee is due upon acceptance of applicant's services (subject to a \$500 maximum for work not to be completed within six months) with the remaining balance payable at the time the service is completed and presented. The second half of the payment may be waived if at the time of presentation, the client is not satisfied with the services received. The client has five (5) business days after signing the client agreement to terminate the contract and receive a full refund of all fees already paid.

After five (5) days, a client is entitled to receive a pro-rated refund of all unearned fees that were payable in advance. Financial Advisory services are for the period stated in the Financial Advisory Agreement.

Performance-Based Fees and Side-By-Side Management

Form ADV Part 2A, Item 6

None.

Types of Clients

Form ADV Part 2A, Item 7

Individuals, pension plans, profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

William Howard & Co. Financial Advisors, Inc. targets clients with a minimum of \$1,000,000 net worth and \$250,000 per year income. However, it will accept clients of lower amounts.

Methods of Analysis, Investment Strategies and Risk of Loss

Form ADV Part 2A, Item 8

Method of analysis is fundamental analysis.

Investment strategy is long term purchases (securities held at least a year).

All securities carry some degree of risk of loss.

Disciplinary Information

Form ADV Part 2A, Item 9

None.

Other Financial Industry Activities and Affiliations

Form ADV Part 2A, Item 10

None.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Form ADV Part 2A, Item 11

The Code sets forth standards of conduct and requires compliance with federal securities laws. Our code also addresses personal trading and requires our personnel to report their personal securities holdings and transactions to the Chief Compliance Officer of the firm. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

It is further noted that Applicant is in and shall continue to be in total compliance with The Insider Trading and Securities Fraud Enforcement Act of 1988. Specifically, Applicant has adopted a firm wide policy statement outlining insider trading compliance by Applicant and its associated persons and other employees. This statement has been distributed to all associated persons and other employees of Applicant and has been signed and dated by each such person. A copy of such firm wide policy is left with such person and the original is maintained in a master file. Further, Applicant has adopted a written supervisory procedures statement highlighting the steps which shall be taken to implement the firm wide policy. These materials are also distributed to all associated persons and other employees of Applicant, are signed, dated and filed with the insider trading compliance materials. There are provisions adopted for (1) restricting access to files, (2) providing continuing education, (3) restricting and/or monitoring trading on those securities of which Applicant's employees may have non public information, (4) requiring all of Applicant's employees to conduct their trading through a specified broker or reporting all transactions promptly to Applicant, and (5) monitoring the securities trading of the firm and its employees and associated persons.

Applicant or individuals associated with Applicant may buy or sell securities identical to those recommended to customers for their personal account.

It is the express policy of Applicant that no person employed by Applicant may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, and therefore, preventing such employees from benefiting from transactions placed on behalf of advisory accounts.

Applicant or any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

As these situations may represent a conflict of interest, Applicant has established the following restrictions in order to ensure its fiduciary responsibilities:

- 1) A director, officer or employee of Applicant shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person of Applicant shall prefer his or her own interest to that of the advisory client. 2) Applicant maintains a list of all securities holdings for itself, and anyone associated with this advisory practice. These holdings are reviewed on a regular basis by William Barker Howard, Jr., President. 3) Applicant requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices. 4) Any individual not in observance of the above may be subject to termination.

Brokerage Practices

Form ADV Part 2A, Item 12

William Howard & Co. Financial Advisors, Inc. does not have the discretionary authority to select the broker to use for client transactions, nor to determine the commission rates to be paid. William Howard & Co. Financial Advisors, Inc. participates in Charles Schwab & Co.'s Financial Advisors Service Program offered to independent investment advisers by Charles Schwab & Company, Inc., an NASD registered broker dealer.

Clients in need of brokerage and custodial services will have Charles Schwab & Company recommended to them. As part of the Financial Advisors Service Program, William Howard & Co. Financial Advisors, Inc. receives benefits that it would not receive if it did not offer investment advice

William Howard & Co. Financial Advisors, Inc. will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple clients accounts so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block. Block trading allows William Howard & Co. Financial Advisors, Inc. to execute equity trades in a more timely, equitable manner and to reduce overall commission charges to clients.

Many clients, when undertaking an advisory relationship, may already have a pre-established relationship with a broker and they will instruct William Howard & Co. Financial Advisors, Inc. to execute all transactions through that broker. In the event that a client directs William Howard & Co. Financial Advisors, Inc. to use a particular broker or dealer, it should be understood that under those circumstances William Howard & Co. Financial Advisors, Inc. will not have authority to negotiate commissions to obtain volume discounts and best execution may not be achieved. In addition, under these circumstances, a disparity in commission charges may exist between the commissions charged to other clients.

William Howard & Co. Financial Advisors, Inc. financial planning practice, due to the nature of its business and clients' needs, does not include blocking trades, negotiating commissions with broker dealers or obtaining volume discounts, nor necessarily obtaining the best price. Implementation of a financial plan is entirely at the client's discretion. When consistent with its fiduciary duty, William Howard & Co. Financial Advisors, Inc. will recommend the use of Charles Schwab & Co. Inc. Financial Planning clients may use any broker or dealer of their choice.

William Howard & Co. Financial Advisors, Inc. may [recommend/require] that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, Member SIPC/FINRA, to maintain custody of clients' assets and to effect trades for their accounts. Schwab Institutional provides William Howard & Co. Financial Advisors, Inc. with access to its institutional trading and operations services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers at no charge to them so long as a total of at least \$10 million of the advisor's clients' account assets are maintained at Schwab Institutional. Schwab Institutional services include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment. Schwab Institutional

also makes available to William Howard & Co. Financial Advisors, Inc. other products and services that benefit William Howard & Co. Financial Advisors, Inc. but may not benefit its clients' accounts. Some of these other products and services assist William Howard & Co. Financial Advisors, Inc. in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of William Howard & Co. Financial Advisors, Inc.'s fees from its clients accounts, and assist with back-office support, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of William Howard & Co. Financial Advisors, Inc.'s accounts, including accounts not maintained at Schwab Institutional. Schwab Institutional may also provide William Howard & Co. Financial Advisors, Inc. with other services intended to help William Howard & Co. Financial Advisors, Inc. manage and further develop its business enterprise. These services may include consulting, publications and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services to William Howard & Co. Financial Advisors, Inc. by independent third-parties. Schwab Institutional 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 William Howard & Co. Financial Advisors, Inc.

The availability to William Howard & Co. Financial Advisors, Inc. of the foregoing products and services is not contingent upon William Howard & Co. Financial Advisors, Inc. committing to Schwab Institutional any specific amount of business (assets in custody or trading).

Review of Accounts

Form ADV Part 2A, Item 13

All investment advisory accounts are internally reviewed on a continuous basis by the applicant's president, William B. Howard, Jr. This monitoring is necessary to keep the accounts within an acceptable risk level based on client's investment policy. The applicant's president utilizes computerized reports to evaluate the account's current asset allocation mix to a target asset allocation mix and account performance.

At a minimum, reviews are done on an annual basis in order to update information regarding various aspects of the financial plan. The reviewers (background on each is listed in Section F) are instructed to obtain documentation to back up the information provided by the client. Communication between the reviewer and the individual client is documented in each client file. The number of accounts assigned to each reviewer is determined by the experience level of the reviewer.

Clients receive daily, weekly, monthly and quarterly reports indicated as follows:

DAILY/WEEKLY

Copies of all brokerage activity relating the details of all purchases and sales are sent directly from the brokerage firm for the specific account.

MONTHLY

Summary of all transactions for the month and an inventory of securities in the account are supplied by the brokerage firm.

QUARTERLY

A quarterly report prepared by William Howard & Co. Financial Advisors, Inc. includes a consolidated account valuation and asset allocation mix. Performance is reported on a cumulative and calendar year.

An ongoing process of consulting with clients is maintained throughout the year in order to update information in their files. The nature and frequency of reports is determined by the individual needs and changing financial circumstances of each client.

Client Referrals and Other Compensation

Form ADV Part 2A, Item 14

William Howard & Co. Financial Advisors, Inc. has arrangements with the Financial Planning Association (FPA) whereby William Howard & Co. Financial Advisors, Inc. is listed on their “Referral Service for Consumer” lists. William Howard & Co. Financial Advisors, Inc. does not pay referral fees.

Custody

Form ADV Part 2A, Item 15

The clients' assets must be held by a qualified custodian and such custodians must provide each advisory client, at least quarterly, with a statement of transactions and position balances in their custody accounts. Custodians will also provide a copy of such statements to William Howard & Co. Financial Advisors, Inc. These documents are used to conduct periodic reconciliations and asset verification. William Howard & Co. Financial Advisors, Inc. undergoes an annual surprise examination by an independent public accountant to verify client funds and securities in relation to the \$938,034.88, representing 14 accounts not held by a qualified custodial firm. The CPA is H. Lee Pulley, 9040 Garden Arbor Drive, Suite 201, Germantown, TN 38138.

Investment Discretion

Form ADV Part 2A, Item 16

William Howard & Co. Financial Advisors, Inc. is limited by the terms of the investment advisory service agreement and the investment objectives of the client. By reason of the discretionary management authority, William Howard & Co. Financial Advisors, Inc. has the ability to determine without first obtaining specific client consent, the securities to be bought or sold and the amount of the securities to be bought or sold.

As to broker/dealer and commission rates paid, client receives the disclosure explained in item 12.

Voting Client Securities

Form ADV Part 2A, Item 17

The firm does not vote proxy statements on behalf of any advisory client. Client will receive their proxies or other solicitations directly from their custodian or a transfer agent. Clients may contact William B. Howard, Jr. with questions about a particular solicitation.

Financial Information

Form ADV Part 2A, Item 18

The firm does not receive advisory fees more than six months in advance.

Requirements for State-Registered Advisers

Form ADV Part 2A, Item 19

Not applicable.

Additional Information

None.