

SUNBELT SECURITIES, INC.

WRAP FEE PROGRAM BROCHURE

(SEC #801-71996)

Part 2a of Appendix 1 of Form ADV
Dated March 25th, 2011

5065 Westheimer, Suite 600
Houston, TX 77056
713-965-9510

This wrap fee brochure provides information about the qualifications and business practices of Sunbelt Securities, Inc. IA Representatives ("Sunbelt"). If you have any questions about the contents of this brochure, please contact us at (713) 965-9510. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Additional information about Sunbelt is also available on the SEC's website at www.adviserinfo.sec.gov.

The terms "registered investment adviser" or "registered" do not imply a specific level of skill or training.

MATERIAL CHANGES

On July 28, 2010, the United State 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 Wrap Fee Brochure dated March 25th, 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 did not require.

In the future, this Item 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 our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Wrap Fee Brochure may be requested by contacting Cara McKee, operations, at (713) 965-9510 or cara.mckee@sunbeltsecurities.com.

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SERVICES, FEES, COMPENSATION

A “wrap-fee” program is one that provides the client with advisory and brokerage execution services for an all-inclusive fee. The client is not charged separate fees for the respective components of the total service.

At the time of a client’s initial investment in the program, an IA Representative will assist the client in determining the client's current financial situation, financial goals and objectives, and attitudes toward risk. This determination will allow the IA Representative to review the client's situation, and determine an appropriate asset allocation.

Pursuant to contractual authority from the client, SUNBELT will execute all securities transactions in client accounts without commission costs. SUNBELT does not have the discretionary authority to determine the broker/dealer to be used. SUNBELT requests that clients use National Financial Services LLC, member FINRA/SIPC (“NFS”), a broker-dealer unaffiliated with SUNBELT, to implement transactions for their Wrap Fee account. Therefore, SUNBELT does not negotiate commission rates with broker/dealers and best execution may not be achieved. Transactions in the Program are effected “net,” i.e., without commission, and a portion of the wrap fee is generally considered to be in lieu of commission.

The annual “wrap-fee” is charged as a percentage of assets under management, and may range from 1.5% to 3.0%. Fees are paid on a quarterly basis in advance and are deducted from the Client’s account through the account’s custodian. Each client fee schedule is negotiated with SUNBELT within this range, on a client-by-client basis. Client facts, circumstances and needs determine the fee schedule. These include the complexity of the client’s account, assets to be placed under management, portfolio style, reports and other factors. The specific annual fee schedule will be identified in the contract between the adviser and client. A portion of the annual fee will be paid to the portfolio manager.

Fees include: Account set up, billing, trading costs, reporting services, and custodian account fees.

Fees do not include: Exchange or miscellaneous custodian fees, transfer taxes, account transfer fees, interest incurred on margin, checking and debit card fees, corporate actions fees, annual \$35 retirement account fee or any fees imposed by law.

In evaluating the Program, clients should consider that, depending upon the level of the wrap fee charged, the amount of portfolio activity in the client’s account, the broker dealer's usual commission rates and other factors, the wrap fee may be more or less than the aggregate cost of such services if they were to be provided separately and if SUNBELT were to negotiate commissions and seek best price and execution of transactions for the client's account.

Further, clients should be aware that the person recommending the program to the client may receive compensation as a result of the client’s participation in the program, that the amount of this compensation may be more than what the person would receive if the client participated in other programs of the sponsor or paid separately for investment advice, brokerage, and other services, and that the person may therefore have a financial incentive to recommend the wrap fee program over other programs or services.

SUNBELT reserves the right to decline acceptance of any client account that directs the use of a broker dealer other than NFS. SUNBELT's Program costs are based on an established relationship with NFS and the designation of a broker other than NFS would not be consistent with SUNBELT's wrap fee platform.

Proxy Policy: As a matter of firm policy and practice, SUNBELT does not have any authority to and does not vote proxies on behalf of an IA Representative's clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios.

Advisory Fees in General: Clients should note that similar Advisory Services may (or may not) be available from other registered investment advisers for similar or lower fees.

Other Fees and Expenses: All fees paid to SUNBELT for investment Advisory Services are separate and distinct from the fees and expenses charged by mutual funds and ETFs (collectively, the "Funds") to their shareholders. These fees and expenses are described in each Fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the Fund also imposes sales charges, a client may pay an initial or deferred sales charge.

A client could invest in a Fund directly, without the services of SUNBELT. In that case, the client would not receive the services provided by SUNBELT which are designed, among other things, to assist the client in determining which Fund or Funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the Funds and the fees charged by SUNBELT to fully understand the total amount of fees to be paid by the client and to thereby evaluate the Advisory Services being provided.

Termination of Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five (5) business days after entering into the agreement.

ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

SUNBELT offers its services to individuals, corporations or other businesses, pension and profit sharing plans and trusts, and banks or thrift institutions. There is a minimum account size of \$25,000 (may be negotiated under special circumstances) with no minimum fee. Accounts of \$25,000 or less will have a minimum quarterly custodial fee of \$10.00.

PORTFOLIO MANAGER SELECTION AND EVALUATION

When selecting and evaluating different portfolio managers we have the ability to utilize outside research analysts and money management platforms, such as; Envestnet and Prima Capital.

Both use industry standards which take the following factors into account; asset class activity, performance, assets under management, available capacity, institutional clientele, portability of performance and investment vehicles.

Manager replacement may be recommended due to numerous factors, such as; under performance, significant personnel changes, style drift, etc.

SUNBELT does not review portfolio manager performance information, and that performance information may not be calculated on a uniform and consistent basis.

Through our Asset Management Program, our IA Representatives can act as portfolio managers in our wrap fee program.

When IA Representatives act as portfolio managers, possible conflicts of interest may arise. A Compliance Officer may review advisory account trading activity. These reviews compare account activity to the activity of the advisor's personal/family accounts to look for position overlap. If an issue arises, it will be brought to the attention of the Chief Compliance Officer for resolution.

B. Advisory Services Offered

Asset Management Program

SUNBELT, through our IA Representatives, provides asset management services to Clients. Our asset management services are tailored to the individual needs of our Clients. Our IA Representatives provide assistance with the initial investment selection and ongoing management of an account's performance in relation to the Client's risk tolerance, time horizon, investment objectives, and overall financial situation.

Financial Planning and Services Program

SUNBELT, through our IA Representatives, may charge for financial services or participate in financial planning services. These services may vary and may include preparing a written financial plan or specified portion of a financial plan based on the Client's individual financial objectives, needs, and circumstances. Our IA Representatives do not provide tax or legal advice but may work in conjunction with the Client's tax advisors or legal advisors with Client consent. We may also refer Clients to other tax or legal advisors should additional expertise be needed. These plans may include recommendations for meeting a specific goal. There is no requirement that the Client implements any of the recommendations or otherwise conduct business through SUNBELT.

Our Services and Restrictions

SUNBELT tailors its services to meet the individual needs of its Clients. On occasion, Clients may impose restrictions on investing in certain securities and types of securities. We offer both a wrap fee program and non-wrap program. Under the firm's policies, a portion of the wrap fee collected is shared with SUNBELT and your IA Representative.

Performance-Based Fees and Side-by-Side Management

We do not charge performance based fees and do not have side-by-side management.

Methods of Analysis, Investment Strategies, and Risk of Loss

Before SUNBELT or its IA Representatives discuss investment strategy with a Client, they conduct thorough due diligence to obtain the essential facts regarding a Client's assets, financial situation, objectives, time horizon, and similar information. SUNBELT through its IA Representatives are responsible for advising Clients

on appropriate investment possibilities and vehicles based upon the Client's particular needs, objectives, and risk tolerance.

SUNBELT and its IA Representatives are responsible for:

a) Analyzing a Client's current financial situation and assisting them in determining their investment objectives, time horizon, and risk tolerance.

b) Advising Client's about investment possibilities and vehicles and educating the Client on fees, a security's features including risk and costs, how a possible investment would fit with the Client's objectives, and possibly assisting the Client in determining an appropriate asset allocation. Part of the IA Representative's analysis may include researching economic, political, and market trends utilizing an array of fundamental and technical factors. Fundamental factors include but are not limited to measures such as earnings growth rates, return on investment and dividend yield and qualitative risk analysis. Technical factors include measures such as price performance, volatility and trading volume.

c) Ongoing monitoring of the Client's investment/asset allocation as well as working with the Client to ensure that SUNBELT and the IA Representative have timely information regarding the Client's needs, objectives, and risk tolerance.

Risk of Loss

When investing in securities, the risk of a decline in market value can be substantial. SUNBELT and its IA Representatives cannot guarantee the future performance of the Client's Account or any specific level of performance, the success of any investment decision, asset allocation, or strategy that the IA Representative may use. Clients should understand that investment decisions made for the Client's Account by the IA Representative are subject to various markets, currency, economic, political and business risks, and that those investment decisions will not always be profitable.

Market Risk. Stock markets can be volatile. In other words, the prices of stocks can fall rapidly in response to developments affecting a specific company or industry, or to changing economic, political or market conditions. Investments may decline in value if the stock markets perform poorly. There is also a risk that the investments will underperform either the securities markets generally or particular segments of the securities markets.

Portfolio Turnover Risk. Portfolio turnover refers to the rate at which investments are replaced. Active trading of securities may also increase your realized capital gains or losses, which may affect the taxes you pay.

Foreign Risk. Foreign markets can be more volatile than the U.S. market due to increased risks of adverse issuer, political, regulatory, market, or economic developments and can perform differently from the U.S. market. Special risks associated with investments in foreign companies include exposure to currency fluctuations, less liquidity, less developed or less efficient trading markets, lack of comprehensive company information, political instability and differing auditing and legal standards.

Small and Medium-Size Company Risk. Small and medium size companies may have narrower markets and more limited managerial and financial resources than do larger, more established companies. As a result, their performances can be more volatile and they may face a greater risk of business failure.

Issuer-Specific Risk. The value of a specific security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole. The value of securities of smaller issuers can be more volatile than that of larger issuers. The value of certain types of securities can be more volatile due to increased sensitivity to adverse issuer, political, regulatory, market, or economic developments.

Put and Call Options Risk. There are risks associated with the sale and purchase of call and put options. As seller (writer) of a covered call option, assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. If the option is uncovered, and the Seller must purchase the security at the current market price because the option is exercised, the loss could be significant. The buyer of a put or call option risks losing the entire premium invested in the option if they do not exercise the option.

In light of these risks associated with investing, the Client should carefully consider whether such an investment is suitable for them in light of their personal financial condition. Prior to authorizing a IA Representative of SUNBELT to invest for their Account, the Client should carefully review the investment objectives that were discussed and documented with SUNBELT and their IA Representative and the Client must accept, reject, or recommend changes for which their account will be managed. Specifically, the Client should consider whether their investment objective is consistent with their personal risk tolerance and their ability to maintain his/her standard of living and/or achieve his/her financial goals in the event that their account should sustain a loss. It is important for the Client to notify SUNBELT or their IA Representative promptly if there are any significant changes in the information, financial circumstances, or investment objectives previously provided to SUNBELT, either verbally or in writing, that might affect the manner in which their account should be invested. It is also important that the Client review statements and confirmations in a timely manner.

Voting Client Securities

SUNBELT, as a matter of policy and practice, has NO authority to vote proxies on behalf of advisory Clients. The firm may offer assistance as to proxy matters upon a Client's request, but the Client always retains the proxy voting responsibility.

CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

We share investment suitability information with client portfolio managers. If there are material client changes, such as; investment objectives, risk tolerance, time horizon, etc. they are communicated to the portfolio manager. Client suitability information is reaffirmed or updated every 36 months.

CLIENT CONTACT WITH PORTFOLIO MANAGERS

We do not place restrictions on a client's ability to contact and consult with their portfolio managers.

ADDITIONAL INFORMATION

A: Disciplinary Information: SUNBELT does not have any legal or disciplinary events to disclose.

Other Financial Industry Activities and Affiliations

SUNBELT's management, as well as Many of SUNBELT's IA Representatives are registered with Sunbelt Securities Inc., a FINRA member broker /dealer. Brokerage services provided by Sunbelt Securities are separate and distinct from the advisory services provided by SUNBELT, and are provided for separate and customary compensation.

South Coast Assurance is an insurance agency licensed in the State of Texas, under common ownership and control with SUNBELT. The principal executive officers and other employees of SUNBELT, in their individual capacities, may also be agents for South Coast Assurance and various unaffiliated insurance companies. As such, these individuals will be able to receive separate and customary compensation resulting from implementing transactions on behalf of advisory clients.

Participation or Interest in Client Transactions:

Advisory clients of SUNBELT may have the brokerage services of Sunbelt Securities and the insurance services of South Coast Assurance recommended to them where appropriate. Advisory clients of SUNBELT are not under any obligation to use Sunbelt Securities' brokerage services, South Coast's insurance services, and/or their associated persons when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

While these individuals endeavor at all times to put the interest of the clients first as part of SUNBELT's fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

SUNBELT compliance department reviews client and IA representatives' transaction for conflicts. If a conflict is discovered, it is brought to the attention of our Chief Compliance Officer to implement any needed corrective measures.

B: Code of Ethics, Participation in Client Transactions and Personal Training

SUNBELT's Code of Ethics is based on the principle that SUNBELT and each of its owners, employees, and IA Representatives owe a fiduciary duty to its Clients. All owners, employees, and IA Representatives must sign the SUNBELT Code of Ethics and it is reviewed at each annual compliance meeting. All SUNBELT owners and IA Representative are expected to act in a manner that fully complies with these standards and the federal and state securities laws at all times and that otherwise is premised on fundamental principles of openness, honesty, integrity, fairness, trust and professionalism.

As a Firm, SUNBELT places an extremely high value on ethical conduct and challenges all owners, employees, and IA Representative to live up to not only the letter of the law, but also to the spirit thereof and the ideals of our organization.

One of the areas that SUNBELT imposes its highest level of ethical expectations is through personal securities transactions. From time to time, owners, employees, and IA Representatives may purchase securities for themselves or family members that they also recommend to their Clients. Owners and IA Representatives and their family members may also own securities that they recommend to Clients. It is the responsibility of the firm to closely monitor this activity to ensure that the Client's interests are always placed ahead of the owners, employees, and IA Representatives of SUNBELT. SUNBELT has policies and procedures in place to review whether Clients are receiving terms as favorable as those obtained from SUNBELT's owners, employees, and

IA Representative when trading the same security and assess whether any individual's personal security holdings may present a conflict of interest.

Review of Accounts

A Compliance Officer will review advisory accounts periodically. These reviews will consist of comparing account activity to the personal information collected on the account information form such as financial condition, investment objectives, and risk tolerance as well as trading frequency. The designated Compliance Officer may review the following documents related to Client accounts as applicable: daily blotters, new account applications, advisory agreements, daily money/asset movement, and suspicious activity. Special or in depth reviews of an account would take place should there be questions or concerns from a Client regarding activity or fees, issues with IA Representative, or if the designated reviewer detects problematic activity.

Client Referrals or Other Compensation

SUNBELT does not any receive economic benefit or compensation for referring Clients to third parties nor does SUNBELT compensate any third party for Client referrals.

Financial Information

SUNBELT does not require or solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance, therefore we have not included a balance sheet for our most recent fiscal year.

REQUIREMENTS FOR STATE- REGISTERED ADVISERS

N/A