
Avondale Partners, LLC

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September, 2012

This wrap fee program brochure provides information about the qualifications and business practices of AVONDALE PARTNERS, LLC. If you have any questions about the contents of this Brochure, please contact us at (615) 467-3500 or jmurphy@avondalepartners.com. 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.

AVONDALE PARTNERS is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about AVONDALE PARTNERS also is available on the SEC's website at www.adviserinfo.sec.gov.

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 Brochure dated September, 2012 is a new document prepared according to the SEC’s new requirements and rules.

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 Brochure may be requested by contacting Jim Murphy, Compliance Officer at (615)467-3500 or jmurphy@avondalepartnersllc.com.

Additional information about Avondale Partners, LLC is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with Avondale Partners who are registered, or are required to be registered, as investment adviser representatives of Avondale Partners.

TABLE OF CONTENTS

Services, Fees and Compensation	1
Account Requirements and Types of Clients.....	3
Portfolio Manager Selection and Evaluation.....	4
Client Information Provided to Portfolio Managers	10
Client Contact with Portfolio Managers.....	11
Additional Information	12

Services, Fees and Compensation

Avondale Partners, LLC (“Avondale”) wrap fee program is one in which a single fee compensates Avondale and other parties, such as a custodian, for bundled services. This compensation is for investment advice as well as brokerage clearance, settlement and custodial services. Fidelity will serve as custodian for wrap fee accounts.

After considering the client's investment needs and objectives, an Avondale investment adviser representative will develop and recommend strategies for the client. Clients may either establish a discretionary account in which Avondale has investment discretion to manage client assets or a non-discretionary account in which Avondale will only execute transactions upon the client's instruction to do so. Investment advice will include advice as to equity and debt securities, mutual funds, third party managers, private pooled investments, and other investment alternatives. Solely upon a client's direction, client assets may be invested in Conquest I, a pooled investment vehicle in which Avondale is affiliated. Avondale may utilize third party Managers to manage a portion of a client's portfolio based upon the client's stated investment objectives. Clients who agree to utilize independent managers are required to grant full discretionary investment authority to invest, reinvest, sell exchange and otherwise deal with assets in their discretion.

Clients who enter into a wrap fee agreement for Direct Advisory Services pay a percentage fee to Avondale on all client assets being managed. Fees for independent managers “Program Fees” are generally deducted from client accounts and are in addition to Avondale's management fee. Program fees will not apply to client accounts where Independent managers are not utilized. The standard fees for direct advisory services will not exceed the following. Independent managers may charge a minimum fee.

\$ Amt	Management Fee	Program Fee	Total Wrap Fee
First \$1,000,000	1.75%	1.25%	3.00%
Next \$1,000,000	1.50	1.25	2.75
Next \$3,000,000	1.25	1.00	2.25
Next \$5,000,000	1.00	1.00	2.00
Next \$10,000,000	0.75	0.75	1.50

Fees are negotiated on a case-by-case basis, depending upon a variety of factors, including the nature and complexity of the particular service, the size of the account, the potential for other business or clients, and the attention needed to manage the account. The client agreement will state the specific fee applicable to the client's account. Fees are paid quarterly in advanced and based on the market value of a client's account at the end of the previous quarter. Upon termination of an agreement, Avondale will retain the portion of the fee attributable to services provided prior to termination, and will rebate the remaining portion of the fee, if any, paid in advance to the client. As a general rule, fees are deducted from the clients' accounts.

However, a client and Avondale may mutually agree for Avondale to invoice the client separately rather than deducting the fees from the account.

Participation in the wrap program may cost more or less than purchasing such services separately. Also, the wrap program fee may be higher or lower than those charged by other sponsors of comparable services.

The Program's wrap fee does not include certain charges and administrative fees, including, but not limited to, federal wires, overnight requests and trade away settlement fees, transfer taxes, odd lot differentials, exchange fees, interest charges, American Depository Receipt agency processing fees, and any charges, taxes or other fees mandated by any federal, state or other applicable law or otherwise agreed to with regard to client accounts. Such fees and expenses are in addition to the Program's wrap fee.

Account Requirements and Types of Clients

Avondale's clients are individuals, banks or thrift institutions, pension and profit sharing plans, trust, estates, charitable organizations, corporations or business entities. Avondale does not generally require an annual minimum fee or asset level for investment advisory services. Avondale may charge a lesser investment management fee based on certain criteria (i.e. related accounts, anticipated future additional assets).

Portfolio Manager Selection and Evaluation

Investment adviser representatives (IAR's) of Avondale act as portfolio managers and will have day-to-day responsibility for the active management of the assets held in client portfolios. After considering the client's investment needs and objectives, an IAR will develop and recommend strategies for the client. IAR's will continue to monitor and review portfolio performance, asset allocation and client investment objectives. Factors considered in recommending investments include performance, reputation, financial strength, reporting, pricing, along with the client's investment objectives.

Transaction costs are paid by Avondale therefore a conflict arises in that portfolio managers may have a disincentive to trade securities in a client's account. Additionally compensation received from fees generated by the wrap program may be more than what Avondale would receive if a client paid separately for investment advice, brokerage and other services.

Avondale Partners provides Asset Management, Financial Planning and Retirement Plan Advisory Services to clients. The remainder of this section describes Avondale's advisory business, methods of analysis, investment strategies, risk of loss and proxy voting policy.

Advisory Business

Asset Management Services

Avondale provides asset management services directly through Avondale investment adviser representatives ("Direct Advisory Services") or through one or more independent investment managers ("Independent Managers"). Investment strategies are tailored to a client's specific needs, each portfolio is initially designed to meet client goals which we determine to be suitable based on a client's circumstances. Once a portfolio has been created, we review the portfolio at least quarterly and may adjust based on a client's needs, goals and objectives. Clients will receive a quarterly report detailing their holdings. Individual portfolios may consist of individual stocks or bonds, exchange traded funds (ETF's), options, mutual funds, U.S. government securities, municipal securities, variable life insurance, variable annuities, alternative investments and other public or private securities.

Direct Advisory Services

After considering the client's investment needs and objectives, an Avondale investment adviser representative will develop and recommend strategies for the client. Clients may either establish a discretionary account in which Avondale has investment discretion to manage client assets or a non-discretionary account in which Avondale will only execute transactions upon the client's instruction to do so. Investment advice will include advice as to equity and debt securities, mutual funds, private pooled investments, and other investment alternatives. Solely upon a client's direction, client assets may be invested in Conquest I, a pooled investment vehicle in which Avondale is affiliated.

Clients may elect to pay either an investment management fee or a wrap fee for Direct Advisory Services. An investment management fee arrangement is one in which the fee compensates Avondale solely for providing investment advisory services, and the client is obligated to pay

separate fees for brokerage and custody services. A wrap fee arrangement is one in which the fee compensates Avondale and other parties, such as a custodian. This compensation is for investment advice as well as brokerage and custody services. There is no difference in how Avondale will manage an account established on an investment management fee basis versus a wrap fee basis. Additional discussion regarding fees and expenses is provided under the caption "Fees and Compensation" in this brochure.

Avondale may utilize Independent Managers to manage all or a portion of a client's portfolio based upon the client's stated investment objectives. Clients who agree to utilize independent managers are required to grant full discretionary investment authority to invest, reinvest, sell exchange and otherwise deal with assets in their discretion.

Client contact and communications regarding independent managers will occur through Avondale. Avondale will forward the completed client documentation and investment information to the independent managers for processing. Avondale will promptly advise independent managers of changes to client's investment objectives and financial situation. Avondale may ask independent managers to attend meetings with Avondale and clients, however, independent managers are under no obligation to attend any such meeting.

Investment Adviser Representatives of Avondale may choose to use various Private Wealth Management programs ("the programs") managed by Envestnet Asset Management, Inc. The programs include both proprietary strategies of Envestnet as well as other third party investment strategies offered through Envestnet's platform. Clients participating in the programs are required to authorize Avondale to designate Fidelity Investments (Fidelity) to provide trade execution, trade clearing and custodial services with respect to client assets. These services are executed through National Financial Services (NFS) or Fidelity Institutional Wealth Services (FIWS), both of which are subsidiaries of Fidelity. Clients who agree to utilize Envestnet services will receive Envestnet ADV Part 2A which provides a description of their services.

Financial Planning Services

We provide financial planning services to individuals, families and other clients regarding the management of their financial resources based on an analysis of a client's current situation, goals and objectives. Financial planning services may be focused on a particular planning issue, such as an inheritance or may be more comprehensive and include a complete review of a client's circumstances. Generally this service involves preparing a written financial plan.

Retirement Plan Advisory Services

Avondale provides advisory and consulting services to Qualified Retirement Plans, including but not limited to: 401(k) Plans, 403(b) Plans, Profit-Sharing or 401(a) Plans, Traditional Defined Benefit Plans, Cash Balance Pension Plans, Non-Qualified Deferred Compensation Plans and other plan types subject to the Employee Retirement Income Security Act of 1974 ("ERISA"). With regards to these qualified retirement plans, Avondale provides its services pursuant to the terms set forth in the Participant Directed Plan Consulting Services Agreement, or the

Institutional Consulting Services Agreement (collectively the "Agreement") entered into with each specific Qualified Plan Client ("Plan Client").

Avondale provides certain advisory services listed in each Agreement as an Investment Adviser under the Investment Advisers Act of 1940. Each Agreement specifies the rights of the Plan Client, the services Avondale will contractually provide, and the compensation for these services. As the needs of the Plan Client dictate, services may be provided by Avondale on a one-time, as-needed, or continuous basis. If the Plan Client elects for Avondale to provide ongoing investment monitoring, selection, and due diligence, Avondale acknowledges that these services constitute "investment advice." Accordingly, Avondale will provide these services as a Co-Fiduciary under section 3(21) and/or section 3(38) of ERISA pursuant to its Agreement with the Plan Client.

Specific Qualified Plan Consulting Services:

- Assistance in the preparation or review of an Investment Policy Statement (IPS) for the Plan Client based on the investment objectives, risk tolerance and stated goals of the Plan.
- Modeling, review, and development of asset allocation studies for plan clients.
- Assisting with the benchmarking of fees, services and results of current or potential vendors that provide recordkeeping, administrative or education services to a Plan Client.
- Assisting with the management and evaluation of Requests for Proposals and competitive price comparisons for plan services such as recordkeeping, compliance/administration, participant-level advice and other third-party services to the Plan.
- Providing Plan Clients with strategic guidance on plan mergers, acquisitions or the addition of supplemental qualified savings plans.
- Assisting Plan Clients with issues related to plan design and structure based on the needs of their plan and participants.
- Providing ongoing monitoring of investment manager(s) based on specific criteria determined by the Plan Client or on the provisions established by the Investment Policy Statement.
- Providing Plan Clients with investment monitoring or performance reports on a periodic basis that analyze the plan's investment managers on a periodic basis versus an appropriate benchmarks and peer group on a risk-adjusted basis.
- Assisting Plan Clients in the analysis and selection of specific investments to be designated as the Plan's Qualified Default Investment Alternative ("QDIA").
- Providing recommendations to a Plan Client on alternative managers for replacement or addition to their investment lineup.

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- Assisting clients with the removal or addition of specific asset classes or categories in order to satisfy the requirements of Section 404(c) of ERISA, as well as offering the Plan's participants an adequate selection of investment alternatives.
 - Assistance with the formation and makeup of a Plan's investment committee, as well as the ongoing responsibilities of committee members.
 - Assisting Plan clients with the design and implementation of a formal Education Plan for participants.
 - Acting as a liaison between the Plan Client and their providers and vendors to assist the completion of plan projects, conversions and ongoing due diligence.
 - Assisting Plan Clients with the enrollment and education of the Plan's participants. These services may include conducting group or individual meetings that discuss general investment concepts, an overview of Plan features and benefits, instruction on analyzing individual needs and risk tolerance, and education on general financial planning concepts.

Assets under Management

As of July 31, 2012 Avondale managed approximately \$676,500,000 on a non-discretionary basis.

Performance-Based Fees and Side-By-Side Management

Avondale Partners, LLC does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Methods of Analysis, Investment Strategies and Risk of Loss

Avondale investment adviser representatives may utilize or rely on financial newspapers and magazines, corporate rating services such as Morningstar, annual reports, prospectuses and press releases, research reports and analysis of performance provided by third parties, and publicly available research and reports.

As a firm, Avondale does not follow any particular investment strategy. Each investment adviser representative may determine the strategies and products to be used to achieve the objective of the client. Strategies may include long-term purchase, short-term purchase, day-trading (securities bought and sold within 30 days), short sales, margin transactions, or option transactions or strategies.

Investing in securities involves risk of loss that a client should be prepared to bear. It is important a client understands the risks associated with investing in securities.

Independent Managers

We recommend independent managers to clients with a variety of investment strategies. We examine the experience, philosophies and past performance of independent managers in an attempt to determine if the manager has the ability to invest over a period of time and in different economic conditions. We monitor the managers underlying holdings, strategies, concentrations and leverage as part of our overall risks assessment.

Avondale recommends Managers to clients with a variety of investment strategies. Some strategies may be high-risk strategies. Such strategies usually have the potential for substantial returns; however, there are correspondingly significant risks involved in the strategies. Such strategies are not intended for all investors. Clients who choose to follow high-risk strategies should be aware that there is the possibility of significant losses up to and including the possibility of the loss of all assets placed in the strategies. Avondale recommends that clients diversify their investments and do not place all of their investments in high-risk investment strategies.

There are additional risks involved in investing in an independent manager which include:

- Managers may not be able to replicate past successes.
- Avondale does not have control of the underlying investments in the portfolio.
- A manager may deviate from the stated strategy of the portfolio.
- We may be unaware of the lack of internal controls necessary for a manager to prevent business, regulatory or reputational deficiencies.

Voting Client Securities

Direct Advisory Services - Proxy Voting Policy

For accounts in which Direct Advisory Services are provided by Avondale investment adviser representatives, neither Avondale nor any of its investment adviser representatives will vote or accept authority to vote proxies on a client's behalf. All proxy voting materials will be forwarded to the client. Also, neither Avondale nor any investment adviser representative will take any action in connection with any legal proceedings involving companies whose securities are held or previously were held in a client's account, including, the filing of "Proofs of Claim" in class action settlements. Any such materials will be forwarded to the client.

Independent Managers Proxy Voting Policy

Independent managers selected and recommended by Avondale may vote proxies for clients. Clients will receive disclosure documents such as an ADV from these independent managers which detail their proxy voting policies. Clients are urged to review this material.

A copy of Avondale's Client Proxy Voting Policies and Procedures can be obtained by contacting the following individual at Avondale:

Jim Murphy
Compliance Officer
3102 West End Avenue, Suite 1100
Nashville, TN 37203
(615) 467-3499

Client Information Provided to Portfolio Managers

IAR's, acting as portfolio managers, will provide advisory services to clients specific to the needs of each client. Prior to providing these services, IAR's will discuss with each client their investment objectives. Clients may impose restrictions on the investments carried in their portfolio.

Clients are advised to promptly notify Avondale if there is a change concerning investment objectives or their financial situation for the purpose of reviewing previous recommendations.

Client Contact with Portfolio Managers

IAR's of Avondale will be available by phone or email. Clients should expect reasonable access to IAR's, phone calls and emails shall be returned in a reasonable time frame. Avondale generates quarterly performance reports, clients are advised to review these reports and contact their IAR with any questions.

Additional Information

Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Avondale Partners or the integrity of Avondale's management. Avondale Partners, LLC has no information applicable to this Item.

Other Business Activities

Avondale Partners, LLC is a registered broker/dealer with the U.S. Securities and Exchange Commission ("SEC"), various state jurisdictions and is a member of the Financial Industry Regulatory Authority ("FINRA"). In addition, Avondale is a full-service institutional investment bank and offers equity research and sales and trading execution to institutional clients throughout the U.S., Canada, and Europe as well as institutional asset management. An affiliate, Avondale Futures Group, LLC is a registered introducing broker with the National Futures Association ("NFA") and the Commodity Futures Trading Commission ("CFTC").

Avondale, through IAR's, may offer insurance products and receive normal and customary fees as a result of these sales. This can present a conflict as insurance sales may create an incentive to recommend products based on the compensation paid to the IAR and not in the best interest of the client.

Affiliations

Avondale Partners, LLC is a wholly-owned subsidiary of Avondale Group, LLC ("Group"). Group owns Avondale Funds, which has a 50% ownership interest in Avondale Conquest, LLC an investment adviser registered with the State of California that is the general partner of Conquest I Fund, a private pooled investment vehicle ("Conquest I"). Clients who have engaged Avondale to provide Advisory Services may instruct Avondale to invest client assets in interests in the Fund. This presents a potential for conflict of interest since an affiliate of Avondale Partners is being compensated for managing the Fund and expenses incurred by the Fund are indirectly borne by its investors.

Avondale Code of Ethics

Avondale Partners has adopted a Code of Ethics ("Code") for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Avondale Partners must acknowledge the terms of the Code of Ethics annually, or as amended. A copy of the code of ethics will be provided upon request.

Participation or Interest in Client Transactions

Avondale Partners, LLC will, as broker or agent, effect securities transactions for compensation for brokerage clients as part of its brokerage business. In addition, Avondale may be an introducing broker for investment advisory clients that have engaged Avondale to provide Advisory Services. We execute and clear these transactions through National Financial Services (NFS). These transactions will be based solely on investment considerations, including whether the investments are suitable for and meet client's investment objectives and guidelines.

Avondale Partners, LLC as a broker or agent, may be used to execute transactions for brokerage clients. Such transactions will be conducted on a fully disclosed basis and cleared through NFS. A separate brokerage account is established with Avondale's clearing firm for each individual client. These transactions will be appropriate in light of the client's investment objectives and conducted subject to proper and customary disclosure.

Avondale Partners, LLC may recommend for client accounts securities in which our affiliate, Conquest I, directly or indirectly, has an interest. Conquest I is a long-short equity hedge fund for which another affiliate, Avondale Conquest, LLC, serves as an investment adviser. Avondale Funds LLC is a 50% owner of Avondale Conquest. Avondale Conquest is registered as an investment adviser in the state California.

Avondale expects that an investment advisory client of Avondale Partners may own a security also owned by Conquest I Fund. To prevent conflicts of interest, all employees of Avondale Partners, LLC must comply with Avondale's written Policies and Procedures. Further, all employees must adhere to Policies and Procedures regarding material, nonpublic information that are designed to prevent insider trading by any officer, partners or associated person of Avondale.

The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Avondale Partners will not interfere with making and implementing decisions in the best interest of advisory clients and while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Avondale Partners' clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between Avondale Partners and its clients.

Avondale Partners' clients or prospective clients may request a copy of the firm's Code of Ethics by contacting the compliance department.

The firm will not affect any principal or agency cross securities transactions for client accounts, except with the client's consent and disclosure of the terms of the transaction, as required under applicable regulations. Principal transactions are generally defined as transactions where

an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Client Referrals and Other Compensation

Avondale Partners does not pay or receive compensation for client referrals. All compensation arrangements have been discussed in previous sections of this brochure.

Financial Information

Avondale does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and not required to include a balance sheet. Avondale Partners, LLC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.