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Item 1 – Cover Page

Form ADV, Part 2A, Appendix 1, our “Wrap Fee Program Brochure” or “Brochure” for our S&S Advisor Account Program, a wrap fee program, as required by the Investment Advisers Act of 1940 is a very important document between Clients (you, your) and “Scott & Stringfellow, LLC” (Scott & Stringfellow, S&S, we, us, our, the “Firm”).

This Brochure provides information about the qualifications and business practices of Scott & Stringfellow and the services relevant to our S&S Advisor Account Program. If you have any questions about the contents of this Brochure, please contact us at (804) 782-8798. 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 Scott & Stringfellow is also available at the SEC’s website www.adviserinfo.sec.gov (click on the link, select “investment adviser firm” and type in our Firm name). Results will provide you both Part 1 and 2 of our Form ADV.

We are a registered investment adviser with the Securities and Exchange Commission. Our registration as an Investment Adviser does not imply a certain level of skill or training. The oral and written communications we provide to you, including this Brochure, are information you can use to evaluate us and our S&S Advisor Account Program. These communications are factors you can use in your decision to hire us or to continue to maintain a mutually beneficial relationship with us.

Item 2 – Material Changes

1. We discuss below only material changes which were made since the last filing of our Form ADV Part 2A, Appendix 1, for our S&S Advisor Account Program (“S&S Advisor”). Our most recent S&S Advisor Brochure filing is dated March 31, 2011, which was our last annual filing.

2. This is our annual amendment update which we have filed on the SEC’s Investment Advisers Public Disclosure Website (IAPD), www.adviserinfo.sec.gov.
3. Effective January 9, 2012, S&S has revised its policy regarding disclosure of disciplinary events on its Form ADV Part 2A, the Appendices thereto, and Form ADV Part 2B. Historically S&S had disclosed on these forms all disciplinary matters in which it was involved and all disciplinary events affecting its financial advisers. S&S now believes that disclosure of all disciplinary events has the potential to cause confusion for its investment advisory customers, particularly when these matters are minor in nature and/or not related to its investment advisory business.

Therefore, S&S has decided to modify its disclosure policy prospectively and only disclose those future disciplinary events which it determines are material to a customer’s evaluation of S&S’s investment advisory business, the integrity of its advisory management, and the integrity and professionalism of its individual financial advisers. The disciplinary events set forth in Items 9.A, 9.B, and 9.C of Form ADV Part 2A and Items 3.A, 3.B, 3.C, and 3.D of Form ADV Part 2B are presumed to be material. However, S&S is permitted to rebut this presumption of materiality. In making a determination as to whether a disciplinary event is material or not, S&S will rely on the following factors:

- The proximity of the person involved in the disciplinary event to the advisory function;
- The nature of the infraction that led to the disciplinary event;
- The severity of the disciplinary sanction; and
- The time elapsed since the date of the disciplinary event.

S&S has established a committee consisting of a Firm principal and professionals within S&S’s Compliance Department to review each disciplinary event in which S&S and/or its individual financial advisers are involved and make a determination as to its materiality to an investor’s evaluation of S&S’s investment advisory business. Only when the committee determines that a disciplinary event is material, will S&S disclose the event on its Form ADV Part 2A, the Appendices thereto, and Form ADV Part 2B as appropriate.

S&S will maintain on its Forms ADV all prior disclosures of past disciplinary events for a period of ten years from the

date of the event. S&S will continue to disclose all future disciplinary events, as required, on its broker-dealer Form BD and on the Form ADV Part 1. Customers can access the Form ADV on the SEC website, www.adviserinfo.sec.gov, and the Form BD on the FINRA website, www.finra.org/Investors/ToolsCalculators/BrokerCheck/. We will also promptly provide copies of all such disclosures to our customers upon their request.

4. We may, at any time, update this Brochure, which you can download from the above SEC Website. You may contact Theresa J. Manderski in the Compliance Department at (804) 782-8798, regarding any questions you have about the Brochure or its contents.

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Item 4 – Services, Fees and Compensation

S&S Advisor Account Program

1. Services

Scott & Stringfellow, LLC offers the S&S Advisor account program, which is a fee-based account program where for a single asset-based fee clients receive advisory services as well as traditional brokerage services. The traditional brokerage services include, but are not limited to, trading, custody, and research. Advisory services may include: client education, investment planning, asset allocation, portfolio review, portfolio rebalancing, manager/stock research and monitoring, portfolio construction, risk tolerance analysis, and setting investment objectives. S&S Advisor is a non-discretionary advisory program subject to the rules and requirements of the Investment Advisers Act of 1940.

Scott & Stringfellow offers S&S Advisor as a wrap-fee program, i.e., a program under which a client is charged a specified fee or fees not based directly upon transactions in a client's account for investment advisory services (which may include portfolio management) and execution of client transactions.

In addition to S&S Advisor, Scott & Stringfellow offers other Wrap Fee Programs: the CHOICE Portfolios, the Investment Advisory Program, the Professional Management Program, the Spectrum Investment Program and the Unified Managed Account Program. Please contact your Investment Advisor if you would like information about any of these other Wrap Fee Programs.

Scott & Stringfellow offers investment advice in the areas of equity and debt securities, warrants, commercial paper, certificates of deposit, municipal securities, mutual funds, variable annuities, government securities, options contracts on securities, futures contracts on physical commodities and intangibles, commodity pools, options on futures contracts and structured products.

Scott & Stringfellow utilizes charting, fundamental and technical methods of securities analysis for long term and short term investing, trading, short sales, margin transactions and option writing including covered options, uncovered options or spreading strategies.

Scott & Stringfellow's main sources of information include financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses and filings with the Securities and Exchange Commission and company press releases.

The Firm's understanding of the Client's current investment objectives and investment restrictions is based upon the information in the *Questionnaire and Investor Risk Profile*, which Client acknowledges having completed and represents all information to be accurate. Also, Client agrees to provide the Firm such additional information as the Firm may request from time to time to assist the Firm in managing the Account. The Firm has relied and will continue to rely on the information provided. This information is important for the management of the Account.

Client will promptly notify Scott & Stringfellow in writing of any other investment objectives, restrictions and instructions ("Investment Guidelines") applicable to the Client's S&S Advisor account ("Account"). Any changes to the Investment Guidelines will become effective as soon as practicable following their delivery in writing to, and their acceptance by, Scott & Stringfellow. Scott & Stringfellow, its employees, agents and affiliates shall not be liable to the Client or any other person for any investment made in violation of any investment objective, restriction or instruction of which the Client did not notify Scott & Stringfellow in writing.

Please be aware that you have the ability to impose reasonable restrictions on the management of the Account, including the designation of particular securities or types of securities that should not be purchased for the Account, or that should be sold if held in the Account. If the Firm believes the instructions are unreasonable, the Firm will notify you that unless the instructions are modified you may be required to cancel the Account.

If the Account is subject to the provisions of ERISA, the Firm represents that it is a fiduciary as defined in that Act in performing its duties under this Agreement.

The Client may choose to develop an investment strategy in either of the following ways:

- a. The Client provides Scott & Stringfellow with a predetermined investment strategy; or
- b. The Client, in consultation with the Scott & Stringfellow Financial Advisor, determines an appropriate investment strategy designed to reflect the Client's investment needs and objectives identified in the consultation process and the Investor Profile (and any additional written guidelines the Client establishes).
- c. The Client has sole discretion whether to accept or reject a strategy or any specific recommendation to purchase or redeem securities. Scott & Stringfellow shall have no discretionary authority with respect to the Account and shall execute only transactions directed by the Client.

A Scott & Stringfellow Financial Advisor will be available to the Client, during normal business hours, for consultation regarding the Account. At least annually, the Client and the Financial Advisor will meet together (in person or by phone) to review and analyze the Account, the Client's Investor Profile, Investment Guidelines, asset allocation, and other relevant factors and circumstances in order to assess what, if any, changes are to be made in the management of the Account.

The Client acknowledges and understands that the quality of the investment advisory services to be rendered by Scott & Stringfellow under the Client Agreement are dependent upon the accuracy of the data and information supplied by the Client for Scott & Stringfellow's analysis and use in delivering its services. S&S is under no affirmative duty to independently verify or audit any of such data or information. The Client will promptly notify Scott & Stringfellow of any change in the Client's investment objectives or financial condition that may affect the manner in which the Account assets should be invested. Based on that information, the

Financial Advisor may recommend other investment strategies or investments.

Scott & Stringfellow's responsibility in connection with the Client's selection of investments shall be to consult with the Client, based on the Client's Investor Profile and Investment Guidelines, as to which investment strategy would be most compatible with the Client's investment objectives and needs and as to which investment would be most compatible with the investment strategy selected by the Client. Scott & Stringfellow shall not be responsible for the performance of any selected investment. The Client acknowledges the right and authority of Scott & Stringfellow to remove any investment from S&S Advisor upon at least thirty days' prior written notice to the Client.

The Client, in conjunction with the Financial Advisor, may choose a strategy that includes asset allocation, that is, assignment of a percentage of the overall value of the Account to each asset class. If the strategy includes asset allocation, it may also include a fund allocation, that is, an assignment of a percentage of the overall value of the asset class to one or more mutual funds.

In order to implement any investment strategy, the Financial Advisor may recommend to the Client eligible securities that may include mutual funds ("mutual funds"), offered at their net asset value without any front-end or deferred sales charge, which may also include no load funds, that Scott & Stringfellow believes possess investment characteristics that are consistent with the Client's Investment Guidelines. If the investment strategy will be implemented with mutual funds only, the Client shall select from the various mutual funds and shall specify, in writing, the mutual funds in which Account assets are to be invested and the allocation among those mutual funds. This written fund allocation may subsequently be modified by the Client orally by notifying the Financial Advisor of the Client's changes.

Scott & Stringfellow will perform no discretionary acts with respect to the account of an S&S Advisor client. Consistent with S&S's duty to the Client to seek and obtain best execution on securities transactions, most securities transactions will be effected with and through S&S. Any principal and agency cross transactions will be effected through S&S only to the extent and in the manner permitted by applicable law, rules and regulations. In any case, S&S receives no additional brokerage execution compensation for the account. With respect to securities transactions effected through S&S, S&S may aggregate contemporaneous purchase or sell orders for the same securities with orders of other customers in accordance with applicable legal and regulatory guidelines.

S&S Advisor is not intended for day trading or other excessive securities or option trading activity, including trading based on market timing. The Account may be

terminated or frozen, at the Firm's discretion, if these activities occur. Losses resulting from Client initiated or Client-directed transactions, including, without limitation, losses resulting from the frequency of trading, are solely the Client's responsibility.

Outside of the S&S Advisor, the Firm as a registered broker-dealer provides a variety of services to its clients for which it is compensated. Scott & Stringfellow usually acts as broker in transactions for clients. The Firm may act in a riskless principal capacity for certain fixed income securities that impose sales loads. All transactions, whether the Firm acts as broker or as riskless principal, are effected at the prevailing market price consistent with the Firm's duty to obtain best execution. Scott & Stringfellow is compensated in such transactions in the form of commissions on trades. In connection with clients investing in money market funds, the Firm may be paid compensation as described in the fund's prospectus.

Scott & Stringfellow may purchase or sell the same security for a number of clients at the same time. Because of market fluctuations, the prices obtained on such transactions within a single day may vary substantially. In such a case, transactions in the same security for a number of customers, as well as for the Firm and affiliated persons, may be "batched" to allocate more fairly those market fluctuations among clients. In these circumstances, the confirmations and statements for each party's transaction may show that the transaction was effected at a price equal to the average execution price for all transactions in that security on that day. In addition, the Firm may buy or sell securities for its own account that it recommends to clients and may profit from such transactions.

Scott & Stringfellow will not act as principal in a transaction for S&S Advisor clients without providing disclosure that it is so acting and obtaining prior client consent. The Firm also, with appropriate disclosure and client consent, may effect transactions for an S&S Advisor client in which it acts as broker for both that client and the other party to the transaction and earns a commission on the trade from that other party. The Firm will do so only to the extent consistent with its duty to obtain best execution for the S&S Advisor client and with appropriate client consent. S&S Advisor clients may revoke consent to engage in such transactions at any time.

In all of these cases, Scott & Stringfellow may receive compensation or other benefits in addition to the wrap fee it receives from clients and, therefore, may have an incentive to engage in such transactions. Further, Scott & Stringfellow will maintain records of all securities purchased and sold by Scott & Stringfellow, its associated persons, and related entities, which will be available for client inspection upon reasonable request.

Finally, because the wrap fee under S&S Advisor may cost clients more or less than purchasing the included services separately, the Firm may have a financial incentive to recommend participation in this program

Clearview Correspondent Services, LLC ("Clearview"), an affiliate of Scott & Stringfellow, will maintain custody of the assets held in the Account. As custodian Clearview will, at no additional charge, credit the Account with dividends and interest paid on securities and with principal paid on called or matured securities in the Account.

Clearview will send the Client confirmations of Account transactions and monthly statements summarizing Account positions and portfolio value. It is the Client's responsibility to review this material and report any discrepancies to the Financial Advisor as soon as possible.

The Firm and its affiliates manage or provide advice to Accounts for many types of Clients and also engage in a broad range of other research, advisory, brokerage, and investment banking activities. The advice given to, or action taken for, any other Client or Account, including the Firm's own Accounts, may differ from that provided to your Account. In particular, transactions effected in your Account may differ from those in other such Accounts or from the advice provided by Firm Financial Advisors or the Firm's research departments. Nothing in the Program Agreements shall be deemed to impose upon the Firm any obligation to purchase or sell, or recommend for purchase or sale, for the Account, any security or other property which the Firm or its affiliates may purchase or sell for their own Accounts or for the Accounts of any other Client. Client hereby acknowledges and agrees that the Firm may purchase securities for its own Accounts that are purchased for the Accounts of its Clients.

The Firm may occasionally acquire confidential information in the course of its business. If that occurs, the Firm will not, of course, be able to divulge it or act upon this information for the Account. The Firm is under no obligation to execute any transaction for the Account which it believes to be improper under applicable law, rule, or regulation.

In valuing the Account, the Firm will use the closing prices and/or mean bid and ask prices of the last recorded transaction for listed securities and over-the-counter Nasdaq securities. In so doing, the Firm will utilize information provided to it by quotation services believed to be reliable. If any such prices are unavailable or believed to be unreliable, the Firm will determine the price in good faith so as to reflect its understanding of fair market value.

The Firm will not act on Client's behalf or render advice in legal proceedings involving the Account or the securities in it. Client will be sent the information and documents

that the Firm has received for distribution to customers to help Client take whatever action Client deems advisable. The Client shall determine whether or not to participate in any class action lawsuits that arise as a result of the purchase of a security in the Account.

Client understands that all trading in the Account is at Client's risk and that the value of the Account is subject to a variety of factors including the liquidity and volatility of the securities markets. Client understands that investment performance of any kind can never be guaranteed by the Firm. Client acknowledges that no representation has been made by the Firm that success can be assured in any transaction or that the Account will prove profitable.

Free credit cash balances resulting from sales, cash deposits, or interest or dividend credits (that is, cash that may be withdrawn from the Account without resulting interest changes) will automatically be swept on a daily basis into the Firm's Insured Deposit Program (IDP) providing FDIC insurance for all eligible cash balances or, in some cases, into shares of a money market fund made available by the Firm at their then current net asset value. The Firm and its affiliates may have agreements to provide advisory, administrative, distribution, and other services to the money market fund used in the Account and receive compensation as a result of those services. If a Client is a shareholder of a money market fund then in addition to fees that Client pays to the Firm as part of this Program, Client will bear a proportionate share of the money market fund's expenses which may include the investment management fees that are paid to the fund's investment advisor, which, as stated above, may be the Firm or its affiliates. Refer to the prospectus or statement of additional information provided for a more complete description of the fund and its operation.

2. Fees

Client pays the Firm an Annual Fee in accordance with the individual Program fee schedule. The Annual Fee will be deducted directly from the Account unless the parties agree otherwise. The Annual Fee, which is payable pro-rata on a quarterly basis in advance, will compensate the Firm for investment management as well as custody and execution services, and no separate Firm brokerage commissions will be charged.

The initial Annual Fee will be prorated to cover the period from the date the Account is opened and approved, through the end of the then current full calendar quarter. The initial Annual Fee will be due in full on the day the Firm opens and approves the Account and will be based on the opening value of the Account. Thereafter, the Annual Fee will be based on the Account's value as reflected on the quarter month-end statement and will be due the following business day to cover the next calendar quarter. Additional assets received into the Account will be charged a pro-rata Annual Fee based

upon the number of days remaining in the current calendar quarter. No fee adjustment will be made for partial withdrawals or for appreciation or depreciation of the Account within a billing period. For purposes of calculating the Annual Fee due, the Account's value includes the sum of the long market value of all securities, money market, cash and credit balances. Margin debit balances and the short market value of securities held do not reduce the value of the Account. In accordance with the terms of the individual Client Agreement, a pro-rata refund of fees charged, less reasonable administrative and trading costs, will be made to Client if the Account is closed within a quarterly billing period.

Since the Annual Fee or Wrap Fee paid by the client covers all transaction-related costs, the client will not pay separate commissions for purchases or sales of securities for the client's account unless the client directs Scott & Stringfellow to execute transactions in securities with another broker-dealer. Because all transaction related fees are paid for out of the Annual Fee, Scott & Stringfellow anticipates that it will fulfill its duty to obtain best price and execution of client orders by effecting those transactions itself as broker. If Scott & Stringfellow effects a transaction for a client through another broker, the net purchase or sale price reflected on the confirmations of such trades may reflect brokerage commissions or dealer "mark-ups" or "mark-downs."

The Account assets used to calculate the Quarterly Fee will include those invested assets transferred into the Account for which Client may have previously paid a separate sales charge or load, commission, mark-up, or other cost associated with acquiring such assets. Transferring such previously acquired assets into the Account may result in Client paying higher investment related expenses for such assets than Client would otherwise pay were such assets retained in a commission-based mutual fund or other type of account such as direct investment with a mutual fund company.

The wrap fee charged under S&S Advisor may cost clients more or less than purchasing such services separately depending on the frequency of trading in the client's accounts, commissions charged at other broker-dealers for similar products, fees charged for like services by other broker-dealers, and other factors. A fee-based arrangement may not be appropriate for customers who anticipate engaging in a lower level of trading activity, as substantially greater transaction cost savings may be realized in the context of a traditional pay-per-trade commission structure.

S&S acknowledges that the fee payable by the Client pursuant to the Client Agreement covers all investment advisory services rendered by Scott & Stringfellow, and certain commissions, mark-ups and other transactional charges applicable to securities transactions effected for the Account with or through Scott & Stringfellow, subject to the terms of the Fees described as follows. The fee

also covers custodial services and other Account-related services provided by Clearview.

Client agrees to pay Scott & Stringfellow an Annual Fee, which is negotiable, based upon the following schedule and terms. The Standard Annual Fee shall be effective if designated or if the fee schedule is otherwise blank. The minimum Quarterly Fee is \$125 (\$500/year) and the minimum value of the Account is \$25,000. Any change to the Annual Fee must be in writing and signed by Client and the Firm, except as described elsewhere in the terms of the Client Agreement.

<u>Total Billable Value*</u>	<u>Annual Fee as a % of Value</u>
On the First \$500,000	2.50%
On the Next \$500,000	2.00%
On the Next \$1,000,000	1.50%
On the Next \$3,000,000	1.00%
Assets Above \$5,000,000	Inquire

*The billable value of the account will be based upon the long market value of all securities, including money markets, cash and free credit balances, in the account and is not reduced by margin debit balances or the market value of short positions within the account. The value is based upon the closing market value of the securities in the account on the last trading day of the last month of each calendar quarter (March, June, September, and December).

The Program Agreement may be terminated at any time by Client or the Firm upon written notice to the other party. Termination by Client shall not affect Client's obligations and liabilities with regard to transactions executed prior to such termination. In the event of the termination of the Program Agreement, the Firm shall be under no obligation to liquidate or purchase any securities.

The Firm reserves the right to terminate the Client agreement for accounts whose value falls below the minimum account value of \$25,000. Accounts valued less than \$25,000 paying the minimum quarterly fee will realize a higher fee percentage than our stated fee schedule. For example, an account valued at \$15,000 paying the minimum quarterly fee (\$125) would effectively be paying an annualized fee of 3.33%.

Transactions completed after the termination of the S&S Advisor Account will be charged commissions according to and consistent with the rates customarily charged by Scott & Stringfellow in an ordinary transaction-based, non-discretionary brokerage account. Termination of the S&S Advisor Account will not affect either party's

responsibilities under this Agreement for previously initiated transactions or for balances or fees due.

The Annual Fee shall be paid in quarterly installments (each, a "Quarterly Fee") that shall be deducted in advance by the Firm from Client's Account. The Firm reserves the right to increase the Annualized Fee in the event that there is excessive turnover in Client's Account upon ten (10) days written notice to Client. Client acknowledges that the Quarterly Fee may be more than the commissions that might otherwise accrue under the Firm's regular commission rates. Client further acknowledges that the Quarterly Fee will be based upon all assets in the Account.

Eligible assets in the account include (unless otherwise restricted by Client in writing and accepted by the Firm): cash & cash equivalents, free credit balances, money markets, common stock, preferred stock, rights/warrants on stock, closed-end mutual fund shares, eligible open-end mutual fund shares, American Depository Receipts ("ADRs"), exchange traded funds ("ETFs"), foreign stock, fixed income securities, municipal securities, publicly traded limited partnership shares, unit investment trusts, option contracts, and structured products.

For eligible mutual funds that are held in the Account, Client shall bear a proportionate share of the mutual funds' expenses, including advisory fees paid to the mutual funds' advisers, as well as management and 12b-1 fees, as set forth in the mutual funds' prospectuses. Mutual fund positions held in this account may be more expensive than if held in a non-fee based account. To the extent such mutual funds permit exchanges among mutual funds, Client may be subject to certain administrative charges levied by the mutual funds' distributors. Where permitted by law, the Firm may receive a fee from open-end mutual funds or their affiliates for record-keeping, sub-account and/or other shareholder services. The Firm or its associated persons may receive compensation directly from the mutual fund for transactions in client accounts. Any such payment will not affect the amount Client owes the Firm under the terms of the Client Agreement.

The initial Quarterly Fee shall be payable to the Firm within five (5) days of the Firm accepting the Client Agreement based upon the value of the Account on the date of acceptance for the partial calendar quarter beginning on such date. Thereafter, the Quarterly Fee shall be payable on the first business day of each succeeding calendar quarter based upon the billable value of the Account as reflected on the quarter month end statement. Quarterly Fee payments will be adjusted for deposits in excess of \$5,000 made by Client to the Account on a pro rata basis. The Client will be entitled to a pro rata refund of any pre-paid quarterly fee based upon the number of days remaining in the quarter after termination.

No adjustment to the Annualized Fee shall be applicable unless and until it is approved in writing by the Firm.

The fee payable pursuant to the Program Agreement does not cover, and the Client will be additionally responsible and charged for: commissions, mark-ups, spreads and other transactional charges on securities transactions effected with or through brokers and dealers other than Scott & Stringfellow, interest on debit account balances, where applicable; the entire public offering price (including underwriting commissions or discounts) on securities purchased from an underwriter or dealer involved in a distribution of securities; bid-ask spreads; odd-lot differentials; exchange fees, pass-through fees, transfer taxes on other fees required by law; Individual Retirement Account (IRA) fees, qualified retirement plan account fees, postage & handling fees and other account maintenance fees; Scott & Stringfellow's usual and customary transaction charges on the liquidation of assets not eligible for S&S Advisor; management and other fees on open-end, closed-end and exchange traded mutual funds and UITs; margin interest; any contingent deferred sales charge assessed by a Mutual Fund company on the sale or liquidation of a mutual fund; check reordering cost and fees; short-term trading charges for purchases and corresponding redemptions of certain mutual fund shares (see fund prospectus for details) made within short periods of time. These short-term trading charges are imposed by the mutual funds to deter "market timers" who trade in fund shares.

On an exception only basis at the request of the client, a third party custodian other than Clearview may be used. For those clients choosing to use a third party custodian, they may be subject to additional custodial fees charged by and collected by their respective third party custodian. Those clients who use a third party custodian will be charged for custodian fees within the wrap program in addition to any fee assessed by their respective third party custodian.

3. Compensation

Scott & Stringfellow may receive compensation or other benefits in addition to the wrap fee it receives from clients and, therefore, may have an incentive to engage in such transactions. Further, Scott & Stringfellow will maintain records of all securities purchased and sold by Scott & Stringfellow, its associated persons, and related entities, which will be available for client inspection upon reasonable request.

Scott & Stringfellow will not act as principal in a transaction for wrap fee clients without providing disclosure that it is so acting and obtaining prior client consent. Scott & Stringfellow also, with appropriate disclosure and client consent, may effect transactions for a wrap fee client in which it acts as broker for both that client and the other party to the transaction and earn a commission on the trade from that other party. Scott &

Stringfellow will do so only to the extent consistent with its duty to obtain best execution for the wrap fee client and with appropriate client consent. Wrap fee clients may revoke consent to engage in such transactions at any time.

Finally, because the Wrap Fee Program may cost clients more or less than purchasing the included services separately, Scott & Stringfellow may have a financial incentive to recommend participation in the Wrap Fee Program.

We do not have or employ any individual at all that receives (directly or indirectly) any compensation from the sale of securities or investments that are purchased or sold for your Account or to which we provide consulting expertise/services. As a result, we are a "fee only" investment adviser. We do not have any potential conflicts of interest present that relate to any additional (and un-disclosed) compensation from you or your assets that we manage.

Item 5 – Account Requirements and Types of Clients

The minimum account size we generally require to open or maintain an S&S Advisor account is \$25,000. Accounts valued less than \$25,000 paying the minimum quarterly fee will realize a higher fee percentage than our stated fee schedule. For example, an account valued at \$15,000 paying the minimum quarterly fee (\$125) would effectively be paying an annualized fee of 3.33%. We ask that you refer to the Program's prospectus for more information.

The Firm may terminate any Account that has fallen below the minimum Account value shown above as required to remain in the Program. Should the Account not receive a deposit for at least the amount of the deficiency shown within thirty (30) days of the date that the notification was mailed, the Account shall be removed from the Program and become a nondiscretionary commission-based investment Account at the Firm.

We generally provide our services to the following types of Clients:

- Individuals, including high net worth individuals
- Trusts, estates and charitable organizations
- Corporations or other business entities
- Taft-Hartley plans, governmental plans, municipalities
- Not-for-profit entities
- Private equity firms (Consulting only)

Item 6 – Portfolio Manager Selection and Evaluation

Neither Scott & Stringfellow nor any related entity or person acts as a portfolio manager for S&S Advisor. Based on the Client's investment profile and objectives, the financial advisor consults with the Client in determining an investment strategy compatible

to their objectives and needs and investments most compatible with the investment strategy chosen by the Client. Clients are solely responsible for all investment decisions made in the S&S Advisor account.

Item 7 – Client Information Provided to Portfolio Manager

The S&S Advisor account is a non-discretionary advisory account and neither the Firm nor the Financial Advisor acts as the portfolio manager for S&S Advisor. Scott & Stringfellow has access to all client information provided to them by client so it and the financial advisors may properly manage the client account on an on-going basis.

Item 8 – Client Contact with Portfolio Manager

Clients have access to their Financial Advisor through various means acceptable to both parties either in-person, by conference call or email.

Item 9 – Disciplinary Information

As a registered broker-dealer and investment advisor, we from time to time are subject to disciplinary actions from our regulators. Such disciplinary actions have historically been and are currently disclosed on our Forms BD and ADV Part 1. We disclose the following disciplinary events occurring within the last ten (10) years which we believe may be material to you when evaluating us to initiate a Client/Adviser relationship, or to continue a Client/Adviser relationship with us:

On April 15, 2002, NASD Regulation, Inc. initiated a regulatory action against the applicant (Docket #CMS020106 AWC). The allegations related to this action are NASDR alleged that Scott & Stringfellow, Inc. ("S&S") failed to use reasonable diligence to ascertain the best inter-dealer market for selected transactions during the period July 1, 1999 through September 30, 1999. Without admitting or denying the allegations, Scott & Stringfellow, Inc. ("S&S") entered into a letter of Acceptance, Waiver and Consent ("AWC") relating to certain account transactions during the period July 1, 1999 through September 30, 1999, relating to S&S' diligence in ascertaining the best inter-dealer market for selected customer orders. On June 27, 2002, S&S agreed to a censure, to pay a fine of \$15,000, and to make restitution to customers of \$4,861.13 plus interest.

On October 16, 2003, the New York Stock Exchange initiated a regulatory action against the applicant (Docket #03-207). The allegations related to this action are violations of Rules 15c3-3(E)(1) and 15c3-3(E)(1)/01. It was alleged that applicant transacted options from branch where supervisor is not properly qualified, and failed to properly compute its customer reserve requirement and deposited the special reserve funds into a money market deposit account that exceeded the amount permitted by the Rule. In May

2000, two of S&S former brokers executed options contracts in their personal accounts in a manner designed to evade S&S's Compliance Procedures. During the applicant's investigation into the trading the applicant determined that the branch office where these individuals worked did not have a ROP. The applicant has subsequently revised its procedures and the branch manager is now registered as a ROP. In an unrelated matter, S&S determined that one of its employees made an error in a spreadsheet calculation that caused a hindsight deficiency in the applicant's reserve deposit for the week of November 22, 2002. The applicant corrected the error and notified the SEC and MFR immediately. In conjunction with this error, the applicant exceeded the amount of allowable deposits into a money market deposit account. Upon discovery, the applicant took corrective action, and subsequently revised its procedures so that an automated system performs these calculations. Without admitting or denying the allegations, S&S consented to a censure and a \$50,000.00 fine to resolve these matters.

On March 8, 2004, NASD Regulation, Inc. initiated a regulatory action against the applicant (Docket #CMS040022 AWC). NASDR alleged that S&S failed to use reasonable diligence to ascertain the best inter-dealer market for selected transactions during the period April 1, through June 30, 2002. Without admitting or denying the allegations, S&S entered into a letter of Acceptance, Waiver and Consent ("AWC") relating to certain account transactions during the period April 1, through June 30, 2002, relating to S&S's diligence in ascertaining the best inter-dealer market for selected customer orders. On January 22, 2004, S&S agreed to a censure, to pay a fine of \$25,000, and to make restitution to customers of \$615.43 plus interest.

On September 13, 2004, NASD Regulation, Inc. initiated a regulatory action against the applicant (Docket #CMS040159). NASD alleged that S&S failed to use reasonable diligence to ascertain the best inter-dealer market for selected transactions during the period January 1, through March 31, 2003. Without admitting or denying the allegations, S&S entered into a Letter of Acceptance, Waiver and Consent ("AWC") relating to certain account transactions during the period January 1, through March 31, 2003, relating to S&S's diligence in ascertaining the best inter-dealer market for selected customer orders. On October 14, 2004, the NASD agreed to accept S&S's AWC wherein S&S agreed to a censure, to pay a fine of \$35,000, to revise its written supervisory procedures and to make restitution to customers of \$595.20 plus interest.

On November 14, 2005, NASD Regulation, Inc. initiated a regulatory action against the applicant (Docket #20042000064-01AWC). NASD alleged that: (i) on 39 occasions during the period of September 4, 2002 through December 31, 2002, the Firm failed to immediately display customer limit orders in Nasdaq securities in its public

quotation, when each such order was at a price that would have improved its bid or offer in each such security or when the order was priced equal to the Firm's bid or offer and the national best bid or offer for each such security, and the size of the order represented more than a de minimis change in relation to the size associated with the Firm's bid or offer in each such security, in violation of Securities Exchange Act Rule 11Ac1-4; (ii) During the same period, the Firm transmitted to OATS 15 reports that contained inaccurate, incomplete, or improperly formatted data in that the reports omitted a special handling code of not held and six reports that contained inaccurate, incomplete, or improperly formatted data in that the reports omitted all subsequent order events, in violation of NASD Rules 6955(a) and 2110; (iii) the Firm's supervisory system was inadequate with respect to limit order display in that the Firm's exception reports for monitoring compliance with the limit order display rule failed to identify the violations described above and such supervisory system did not include written supervisory procedures providing for a statement of the supervisory steps to be taken by the person(s) responsible for supervision with respect to the applicable rules, in violation of NASD Rules 2110 and 3010 and (iv) the Firm incorrectly distributed or published, or caused to be distributed or published, 139 reports of a purchase or sale of municipal bonds that were not required to be distributed or published, in violation of MSRB Rule G-14. On November 14, 2005, the NASD agreed to accept S&S's AWC wherein S&S agreed to a censure, to pay a fine of \$37,500, and an undertaking to revise the Firm's written supervisory procedures to address the alleged inadequacies described above.

On August 29, 2005, NASD initiated a regulatory action against the applicant. NASD alleged that, between February 1, 2004 and May 31, 2004, the applicant, Bergen Capital, Inc. (CRD# 46348) who merged into the broker dealer, Scott & Stringfellow, Inc. on January 4, 2006, failed to record the time of receipt on certain municipal order tickets in violation of municipal securities rulemaking board rule g(8)(a)(vii), section 17(a) of the securities exchange act of 1934, rule 17a-3 thereunder and NASD conduct rules 3110 and 2110. (Docket/Case Number #E9B2004001503). The applicant consented to censure and payment of a fine in the amount of \$7,500 pursuant to the Letter of Acceptance, Waiver and Consent with respect to such matter ("AWC"). The fine was paid by the applicant on September 16, 2005. The applicant consented, without admitting or denying the allegations, to the issuance of the AWC. The AWC was accepted by the NASD on August 29, 2005.

On November 22, 2005, NASD initiated a regulatory action against the applicant. NASD alleged that, between July 15, 2003 and December 31, 2004, the applicant, Bergen Capital, Inc. (CRD# 46348) who merged into the broker dealer, Scott & Stringfellow, Inc. on January 4, 2006, disseminated to the investing public 17 pieces of advertising and sales literature relating to municipal, corporate, and government bonds that allegedly violated NASD

conduct rules 2210 and 2110 (.Docket/Case Number # EAF0401260002). Thirteen of these pieces were radio advertisements broadcast on three New York metropolitan area radio stations that allegedly minimized the risks associated with bond investing and contained allegedly misleading and promissory language. The applicant also used two websites and two newsletters that were allegedly misleading and omitted allegedly necessary disclosures in violation of NASD conduct rules 2210 and 2110. Ten pieces of advertising or sales literature allegedly omitted material information and 10 communications included allegedly misleading, unwarranted or exaggerated statements or claims. In addition, seven of the applicant's radio advertisements and one of its websites allegedly violated SIPC rules applicable to communications with the public. The applicant consented to censure, payment of a fine in the amount of \$115,000 and an undertaking to file with the NASD's advertising regulation department ("ARD") all sales literature and advertisements at least 15 days prior to their first use until the earlier of six months from the acceptance by the NASD's national adjudicatory council ("NAC") of the Letter of Acceptance, Waiver and Consent with respect to this matter ("AWC") or such time as the form BDW of Bergen Capital, Inc. becomes effective. The fine was paid by the applicant on December 13, 2005. The applicant consented, without admitting or denying the allegations, to the issuance of the AWC. The AWC was accepted by NASD on November 23, 2005.

On June 26, 2006, the New York Stock Exchange ("NYSE") initiated a regulatory action against the applicant (Docket/Case Number #HPD 06-98). The NYSE Division of Enforcement alleged that on 2 occasions between January 2003 and March 2003 S&S's Branch Office Manager approved erroneous trades, after the corrections were made, in violation of Rule 410, that on 6 occasions, as a result of cumulative purchases, customers purchases of Class B mutual funds exceeded recommended purchase amounts in the fund prospectus, and that the firm did not have adequate procedures concerning pre-dissemination review of internal e-mail by a research analyst. S&S consented without admitting or denying guilt, to the entry of stipulation and consent, that was accepted by an NYSE Hearings Officer on June 26, 2006. In the consent, without admitting or denying guilt, S&S agreed to a censure and to the payment of a fine of \$75,000.

On June 29, 2006, the NASD initiated a regulatory action against the applicant (Docket/Case Number #E9A2004009101). It was alleged that between July 1, 2004 and September 30, 2004 S&S failed to timely report 6 transactions to the MSRB in violation of Rule G-14 and that between June 2002 and February 2004 S&S failed to timely file statements to the MSRB for 17 transactions in violation of Rule G-36. S&S consented to the payment of a fine in the amount of \$5,000 pursuant to the Letter of Acceptance Waiver and Consent ("AWC"). S&S consented without admitting or

denying the allegations to the issuance of the AWC. The AWC was accepted by the NASD on June 26, 2005.

On August 16, 2006, the Virginia State Corporation Commission, Securities Division initiated a regulatory action against the applicant (Docket/Case Number #2006-00032). The Division alleged that one of Scott & Stringfellow, Inc.'s ("S&S") registered representatives made an unsuitable recommendation to sell part of a variable annuity and purchase mutual funds to one customer, and thus, that S&S failed to properly supervise the registered representative. While S&S and the registered representative believe they had meritorious defenses to the allegations, without admitting or denying the allegations and in order to avoid the expense of litigation, S&S and its registered representative agreed to the consent order, fully resolving the matter. The consent order levied a fine of \$6,000. S&S was charged with \$4,000 and the registered representative was charged with the remaining \$2,000. S&S was also charged an additional \$2,000 in investigative charges. The registered representative was placed under heightened supervision for solicited mutual fund sales for a period of 12 months. The consent order was executed by the Securities Division on September 1, 2006.

On July 30, 2007, FINRA initiated a regulatory action against the applicant (Docket/Case Number #2006003791101). It was alleged that between December 17, 2004 and March 31, 2006, S&S failed to timely report 16 transactions to the MSRB and that it failed to file one Form G-36 (05) and final official statement to the MSRB in violation of Rule G-36. S&S consented, without admitting or denying the allegations, to the issuance of the Acceptance Waiver and Consent ("AWC"), and to the payment of a fine in the amount of \$7,500 pursuant to the AWC. The AWC was accepted by the FINRA on July 30, 2007.

On August 6, 2009, FINRA initiated a regulatory action against the applicant (Docket/Case Number #2008011754301). It was alleged that between June 27, 2006 and June 6, 2008, the firm failed to report on a Form G-37 eight (8) instances in which it had participated in negotiated securities underwriting activities. The firm consented, without admitting or denying the findings, to the issuance of the letter of Acceptance, Waiver and Consent ("AWC"), and to the payment of a fine in the amount of \$10,000 pursuant to the AWC. The AWC was accepted by FINRA on August 6, 2009.

On September 17, 2009, FINRA initiated a regulatory action against the applicant (Docket/Case Number #2006004160701). As a result of a series of TMMS, TRACE and short sale reporting examinations covering the November 1, 2005 through 2007 period, FINRA alleged that the firm had some violations regarding individual registrations, Rule 10b-10, Rule 606 and Rule 605, TRACE reporting, short sale reporting and written supervisory procedures. The firm consented, without admitting or denying the findings, to the issuance of the

letter of Acceptance, Waiver and Consent ("AWC"), to the payment of a fine in the amount of \$72,500, and to revise certain written supervisory procedures, pursuant to the AWC. The AWC was accepted by FINRA on September 17, 2009.

On January 6, 2010, the Commonwealth of Virginia, State Corporation Commission, initiated a regulatory action against the applicant (Docket/Case Number #SEC-2009-00112). The Virginia State Corporation Commission's Division of Securities and Retail Franchising alleged that the Firm violated Commission Rules 21 VAC 5-20-260A and B, and 21 VAC 5-20-580A3 and A18 in connection with the Firm's marketing and sale of auction rate securities to Virginia residents. Prior to entering into this settlement with the Virginia State Corporation Commission, the Firm offered to purchase, at par, auction rate securities ("ARS") from certain eligible customers ("Offer"). As part of the settlement, the Firm undertook to: abide by the terms and conditions of its Offer; make up the difference paid to any eligible customers who sold ARS below par; reimburse eligible customers for expenses on ARS secured loans; and participate in FINRA's ARS Arbitration Program. Although the Firm believed that it had meritorious defenses to the allegations, to avoid the uncertainty and expense of litigation, and without admitting or denying the allegations, the Firm settled the matter. The Order was entered by the Virginia State Corporation Commission on January 6, 2010.

On May 27, 2010, the Commonwealth of Virginia, State Corporate Commission (the "Commission"), initiated a regulatory action against the applicant (Docket/Case Number #SEC-2010-00091). The Commission alleged that the firm violated Securities Rule 21 VAC 5-20-260 B for inadequate supervision in connection with a former registered representative's recommendation and sale of allegedly unsuitable securities to a customer. Without admitting or denying the allegations, and to avoid the cost and uncertainty of continued investigation by the Commission, the firm agreed to the entry of a settlement order, fully and finally resolving the matter with the Commission. The settlement order levied a fine of \$20,000 against the firm. The firm was also charged an additional \$5,000 in investigative charges. The settlement order was executed by the Commission on January 6, 2011. The \$20,000 fine and \$5,000 investigative charges were paid on December 31, 2010 and no portion of either was waived. A \$10,000 rescission offer to the customer was made on January 10, 2011. The registered representative who was the subject of the investigation is no longer employed by the firm.

Other Financial Industry Activities and Affiliations

Scott & Stringfellow is a registered broker-dealer.

BB&T Investment Services, Inc., a FINRA member broker-dealer and a state-registered investment adviser, is a wholly-owned subsidiary of BB&T Corporation, a bank holding company.

Scott & Stringfellow serves as a sub-advisor to Sterling Capital Funds (the funds are distributed by Sterling Capital Distributor, Inc.) for certain funds offered by Sterling Capital Funds. Scott & Stringfellow is paid a fee by Sterling Capital Funds based on the assets under management under a sub-advisory agreement signed by both parties.

Clearview, a FINRA and NYSE member clearing broker-dealer of securities, is a wholly-owned subsidiary of BB&T Corporation. Clearview acts as the clearing firm for Scott & Stringfellow.

Scott & Stringfellow and S&S Advisor are affiliated by common ownership with SHDR Investment Advisers and Sterling Capital Management LLC, which are wholly-owned subsidiaries of BB&T Corporation and are SEC-registered investment advisers.

BB&T Insurance Services, Inc. is a wholly-owned subsidiary of Branch Banking and Trust Company.

Scott & Stringfellow's affiliated advisers (BB&T Investment Services, Inc., Sterling Capital Management and SHDR Investment Advisers, Inc.) may manage limited partnerships or other private funds. A complete list of partnerships managed by these companies can be obtained by viewing each respective adviser's ADV Part I, Schedule D, Section 7.B. Scott & Stringfellow's customers are not solicited to invest in any of the affiliated companies' limited partnerships.

Code of Ethics

We have adopted an Investment Advisory Code of Ethics based on the principle that all Investment Advisory Representatives have a fiduciary duty to place the interest of clients ahead of their own. This Code of Ethics is designed to (i) ensure we meet our fiduciary obligations to you, our Client, and (ii) foster and maintain a Culture of Compliance within our Firm. On an annual basis, all Investment Advisory Representatives are required to certify in writing that they are aware and will abide by the principles of the Code. We also supplement the Code with annual training and on-going monitoring of investment advisory activity.

Our Code includes the following:

- Requirements related to the confidentiality of our Client;
- Policies relating to conflicts of interest;
- Prohibitions on:
 - Insider trading;
 - Use of proprietary information, and
 - Rumor mongering;
- Policies relating to employee and Firm transactions;

Our Code does not prohibit personal trading by employees or proprietary trading by our Firm. As you may imagine, as a professional investment adviser, we follow our own advice. As a result, we or our employees may purchase or sell the same or similar securities (or securities that are suitable for a Firm or employee or related account but not suitable for any client, including you) at the same time that we place transactions for your account and the accounts of our other Clients.

On an annual basis, we require all Investment Advisory Representatives to re-certify to our Code. Individuals who are designated as "Access Persons" are required to make quarterly reports to Compliance of all securities transactions made in their covered accounts. By January 31st of each year Access Persons must also file an Annual Holdings Report.

You may request a complete copy of our Code by contacting us at the address or telephone number on the cover page of this Brochure; attn.: Chief Compliance Officer.

Review of Accounts

The Account is a non-discretionary advisory account. Based on the client's investment profile and objectives, the Financial Advisor consults with the client in determining an investment strategy compatible to their objectives and needs and investments most compatible with the investment strategy chosen by the client. The Firm and its advisors are responsible for the continuous monitoring of the activity in their clients' fee-based accounts to ensure the respective advisory program is appropriate. The Firm's Centralized Supervision Unit (CSU) is responsible for the daily review of S&S's advisory accounts. Each month CSU will review a selected sample of advisory accounts which review includes, but is not limited to, suitability, trading volume, cash balance and overall performance. On a quarterly basis, the advisor will review the account's performance and adherence to the Client's investment strategy using the reports provided by Scott and Stringfellow. The advisor will meet with Clients on at least an annual basis.

Clearview provides S&S Advisor clients with periodic reports of relevant activity. Each Account receives: (1) confirmation of each transaction in securities (except money market mutual fund transactions); (2) monthly statements of account; and (3) annual summary of transactions and dividend and interest statements.

Client Referrals and Other Compensation

Non-employee, third-party consultants who are directly responsible for bringing a client to Scott & Stringfellow, such as accountants, may receive compensation from Scott & Stringfellow. Such agreements will comply with the requirements set out in Rule 206(4)-3 of the Investment Advisers Act of 1940, as amended,

including the requirement that the relationship between the solicitor and the investment advisor be disclosed to the client at the time of the solicitation or referral. Referral fees are a percentage of the annual management fees earned by Scott & Stringfellow on referred accounts and represent no additional expenses to such accounts. The Client will be requested to acknowledge this arrangement prior to acceptance of the Clients' funds.

In certain cases, applicable state laws may require these third-party consultants to become either licensed as representatives of Scott & Stringfellow or as independent investment advisors.

Financial Information

Scott & Stringfellow does not charge or solicit pre-payment of fees by clients six months or more in advance. It will bill fees in advance each quarter. Scott & Stringfellow is not aware of any financial conditions or events which are reasonably likely to impair its ability to meet its contractual commitments to its clients.

Item 10 – Requirements for State-Registered Advisers

N/A