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**FORM ADV PART 2A
BROCHURE**

This brochure provides information about the qualifications and business practices of William Loyd Gray, Jr., dba Goodpasture Gray. If you have any questions about the contents of this brochure, please contact us at 713-522-9554. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about William Loyd Gray, Jr., dba Goodpasture Gray is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for William Loyd Gray, Jr., dba Goodpasture Gray is 108916.

William Loyd Gray, Jr., dba Goodpasture Gray is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2 Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Generally, William Loyd Gray, Jr. dba Goodpasture Gray will notify clients of material changes on an annual basis. However, where we determine that an interim notification is either meaningful or required, we will notify our clients promptly. In either case, we will notify our clients in a separate document.

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Item 4 Advisory Business

Description of Services and Fees

William Loyd Gray, Jr., *dba* Goodpasture Gray is a registered investment adviser based in Houston, Texas. We are organized as a sole proprietorship under the laws of the State of Texas. We have been providing investment advisory services since 1997.

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we", "our" and "us" refer to William Loyd Gray, Jr., *dba* Goodpasture Gray and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person throughout this brochure. As used in this brochure, our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

Portfolio Management Services

We offer discretionary and limited non-discretionary portfolio management services. Our investment advice is tailored to meet your needs and investment objectives. If you retain our firm for portfolio management services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information at the beginning of our advisory relationship. We will use the information we gather to develop a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf. As part of our portfolio management services, we may customize an investment portfolio for you in accordance with your risk tolerance and investing objectives. Once we construct an investment portfolio for you, we will monitor your portfolio's performance on a continuous basis, and will re-balance your portfolio as required by changes in market conditions and in your financial circumstances.

We strive to offer high quality and personalized services. The extensive process for each client is as follows:

1. Determine your risk profile and investment objectives by means of an interview process and the completion of a questionnaire.
2. Set a relevant asset allocation policy for you from one of many allocation models used by us.
3. Diversify among asset classes and styles. Asset allocation policy is implemented by investing in a well-diversified portfolio and is managed by institutional money management firms, not normally accessible to you directly.
4. Re-balance your portfolio. Re-balancing maintains the proper allocation to each asset class in the model. Each portfolio is monitored on an ongoing basis to ensure that it remains consistent with the agreed-upon asset allocation policy. If the relative value of investments in the portfolio varies enough to become inconsistent with this policy, your account is rebalanced.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your prior approval. Discretionary authority is typically granted by the portfolio management agreement you sign with our firm, a power of attorney, or trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing. In limited circumstances we may enter into non-discretionary arrangements with you, where we must obtain your approval prior to executing any transactions on behalf of your account.

Our fee for portfolio management services is based on a percentage of your assets we manage and is set forth in the following fee schedule:

| Assets Under Management | Annual Fee |
|--------------------------------|-------------------|
| First \$5 million | 1.50% |
| Next \$5 million | 1.00% |
| Next \$5 million | 0.80% |
| Next \$10 million | 0.70% |
| Next \$25 million | 0.60% |
| Asset Over \$50 million | Negotiable |

Our annual portfolio management fee is billed and payable quarterly in advance based on the value of your account on the last day of the previous quarter.

If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances.

The fees charged are calculated as described above, and are not charged based on the basis of a share of capital gains upon, or capital appreciation of, the funds, or any portion of the funds of an advisory client (15 U.S.C. §80b-5(a)(1)).

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when the following requirements are met:

- You provide our firm with written authorization permitting the fees to be paid directly from your account held by the qualified custodian.
- We send you an invoice showing the amount of the fee, the value of the assets on which the fee is based, and the specific manner in which the fee was calculated.
- The qualified custodian agrees to send you a statement, at least quarterly, indicating all amounts dispersed from your account including the amount of the advisory fee paid directly to our firm.

You may terminate the portfolio management agreement upon 30 days' written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

We encourage you to reconcile our invoices with the statement(s) you receive from the qualified custodian. If you find any inconsistent information between our invoice and the statement(s) you receive from the qualified custodian please call our main office number located on the cover page of this brochure.

We impose a set-up fee of \$375 for each separate client account. As such, a single client may pay multiple account set-up fees. The set-up fee is payable in advance and is non-refundable. Since start-up, expenses are incurred only as a result of you opening a new account or engaging us for an additional service, fees paid beyond this initial set-up fee will be charged for the rendering of investment advice only. At our discretion this fee may be waived.

General Consulting Services

We do not hold ourselves out as a financial planner; however, we will provide general consulting services for an hourly fee. We will provide advice related to specific matters, including, but not limited to, retirement planning, risk assessment/management, education funding, investment planning, estate planning, financial organization, or financial decision making/negotiation. Cash flow and debt management consultations may also be provided. Consulting services are based on the financial information disclosed by you to us at the time of the consultation.

We charge an hourly fee for advisory consulting services of \$350 per hour. The fee is negotiable depending upon the scope and complexity of the services requested and your individual circumstances. Typically the fee is due upon completion of the consulting session. However, payment arrangements may be negotiated on a case-by-case basis.

We will only give advice on the specific financial areas agreed upon with you. Under this arrangement, a written financial plan will not be provided. You are under no obligation to act on our recommendations. If you elect to act on any of these recommendations, you are under no obligation to implement the advice through our firm.

Types of Investments

We offer advice on Real Estate Investment Trusts (REITS), or limited partnerships investing in leasing and/or technology and in some cases, for qualified clients, investments in hedge funds. Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship. You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

Assets Under Management

As of December 30, 2011, we manage \$43,822,610 in client assets on a discretionary basis, and \$967 in client assets on a non-discretionary basis for a total of \$43,823,228.

Item 5 Fees and Compensation

Please refer to the "Advisory Business" section in this brochure for information on our advisory fees, fee deduction arrangements, and refund policy according to each service we offer.

Additional Fees and Expenses

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees.

transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the "Brokerage Practices" section of this brochure.

Compensation for the Sale of Securities

Persons providing investment advice on behalf of our firm are registered representatives with Western International Securities, Inc., (WIS), a correspondent broker/dealer of J.P. Morgan Global Clearing Corp., a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In their capacity as registered representatives, these persons will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by these persons in their capacities as registered representatives is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm.

At our discretion, we may offset our advisory fees to the extent our Associated Persons earn commissions in their separate capacities as registered representatives.

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

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the *Advisory Business* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

Item 7 Types of Clients

We currently provide investment advisory services to high net worth individuals and other individuals, which includes trusts and estates. We also offer investment advisory services to pension and profit sharing plans, charitable organizations, corporations, and other business entities.

In general, we require a minimum of \$1,000,000 to open and maintain an advisory account. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management. In addition we impose a one-time set up fee of \$375 per investment account.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

Our Methods of Analysis and Investment Strategies

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

- *Charting Analysis* - involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends.
- *Fundamental Analysis* - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.
- *Technical Analysis* - involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.
- *Cyclical Analysis* - a type of technical analysis that involves evaluating recurring price patterns and trends.
- *Long Term Purchases* - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- *Short Term Purchases* - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.
- *Margin Transactions* - a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan.
- *Option Writing* - a securities transaction that involves selling an option. An option is the right, but not the obligation, to buy or sell a particular security at a specified price before the expiration date of the option. When an investor sells an option, he or she must deliver to the buyer a specified number of shares if the buyer exercises the option. The seller pays the buyer a premium (the market price of the option at a particular time) in exchange for writing the option.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other relevant factors. Your restrictions and guidelines may affect the composition of your portfolio.

Client assets are advised using the following methods and/or strategies:

Charting and Technical Analysis - The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day to day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Fundamental Analysis - The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Cyclical Analysis - Economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Recommendation of Particular Types of Securities

As disclosed under the "Advisory Business" section in this Brochure, we recommend various types of securities and we do not necessarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

A real estate investment trust or REIT is a corporate entity which invests in real estate and/or engages in real estate financing. A REIT reduces or eliminates corporate income taxes. REITs can be publicly or privately held. Public REITs may be listed on public stock exchanges. REITs are required to declare 90% of their taxable income as dividends, but they actually pay dividends out of funds from operations, so cash flow has to be strong or the REIT must either dip into reserves, borrow to pay dividends, or distribute them in stock (which causes dilution). After 2012 the IRS will stop permitting stock dividends. Most REITs must refinance or erase large balloon debts this year and next. The credit markets are no longer frozen, but banks are demanding, and getting, harsher terms to re-extend REIT debt. Some REITs may be forced to make secondary stock offerings to repay debt, which will lead to additional dilution of the stockholders. Fluctuations in the real estate market can affect the REIT's value and dividends.

A limited partnership is a financial affiliation that includes at least one general partner and a number of limited partners. The partnership invests in a venture, such as real estate development or oil exploration, for financial gain. The general partner does not usually invest any capital, but has management authority and unlimited liability. That is, the general partner runs the business and, in the event of bankruptcy, is responsible for all debts not paid or discharged. The limited partners have no management authority and confine their participation to their capital investment. That is, limited partners invest a certain amount of money and have nothing else to do with the business. However,

their liability is limited to the amount of the investment. In the worst case scenario for a limited partner, he/she loses what he/she invested. Profits are divided between general and limited partners according to an arrangement formed at the creation of the partnership.

Margin: Buying on margin means borrowing money from a broker to purchase stock. Margin trading allows you to buy more stock than you'd be able to normally. An initial investment of at least \$2,000 is required for a margin account, though some brokerages require more. This deposit is known as the minimum margin. Once the account is opened and operational, you can borrow up to 50% of the purchase price of a stock. This portion of the purchase price that you deposit is known as the initial margin. Some brokerages require you to deposit more than 50% of the purchase price. Not all stocks qualify to be bought on margin. When you sell the stock in a margin account, the proceeds go to your broker against the repayment of the loan until it is fully paid. There is also a restriction called the maintenance margin, which is the minimum account balance you must maintain before your broker will force you to deposit more funds or sell stock to pay down your loan. When this happens, it's known as a margin call. If for any reason you do not meet a margin call, the brokerage has the right to sell your securities to increase your account equity until you are above the maintenance margin. Additionally, your broker may not be required to consult you before selling. Under most margin agreements, a firm can sell your securities without waiting for you to meet the margin call and you can't control which stock is sold to cover the margin call. You also have to pay the interest on your loan. The interest charges are applied to your account unless you decide to make payments. Over time, your debt level increases as interest charges accrue against you. As debt increases, the interest charges increase, and so on. Therefore, buying on margin is mainly used for short-term investments. The longer you hold an investment, the greater the return that is needed to break even. In volatile markets, prices can fall very quickly. You can lose more money than you have invested.

Options: Options are complex securities that *involve risks and are not suitable for everyone. Option trading can be speculative in nature and carry substantial risk of loss. It is generally recommended that you only invest in options with risk capital.* An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an underlying asset at a specific price on or before a certain date (the "expiration date"). The two types of options are calls and puts: A call gives the holder the right to buy an asset at a certain price within a specific period of time. Calls are similar to having a long position on a stock. Buyers of calls hope that the stock will increase substantially before the option expires. A put gives the holder the right to sell an asset at a certain price within a specific period of time. Puts are very similar to having a short position on a stock. Buyers of puts hope that the price of the stock will fall before the option expires. Selling options is more complicated and can be even riskier.

Item 9 Disciplinary Information

Goodpasture Gray has been registered and providing investment advisory services since 1997. Neither our firm nor any of our Associated Persons has any reportable disciplinary information.

Item 10 Other Financial Industry Activities and Affiliations

Registrations with Broker-Dealer

Persons providing investment advice on behalf of our firm are registered representatives with WIS, a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation.

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

Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

Participation or Interest in Client Transactions

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

Personal Trading Practices

Our firm or persons associated with our firm may buy or sell securities for you at the same time we or persons associated with our firm buy or sell such securities for our own account. We may also combine our orders to purchase securities with your orders to purchase securities ("block trading"). Please refer to the "Brokerage Practices" section in this brochure for information on our block trading practices.

A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our Associated Persons nor we shall have priority over your account in the purchase or sale of securities.

Item 12 Brokerage Practices

We recommend the brokerage and custodial services of WIS, a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. We believe that WIS provides quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by WIS, including the value of research provided, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of research services and additional brokerage products and services WIS provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

Research and Other Soft Dollar Benefits

We do not receive any soft dollar benefits from WIS or any other brokerage firm. Research products and services received by us from brokerage firms executing your securities transactions, may include financial publications, information about particular companies and industries, and computer software, e.g. customized statements and reporting features. This arrangement may cause you to pay a brokerage commission in excess of that which another broker/dealer may charge for effecting the same transaction. Such relationships may also include benefits provided to our firm, including but not limited to, research, market information, and administrative services that help our firm manage your account(s). We believe that recommended broker-dealers provide quality execution services for our clients at competitive prices. Price is not the sole factor we consider in evaluating best execution. We

also consider the quality of the brokerage services provided by recommended broker-dealers, including the value of research provided, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. The research, other products or services are not provided to us in connection with specific client securities transactions and are not considered to be paid for with so-called "soft dollar" credits. However, the research, other products or services received benefit us because we do not pay for those benefits. Such benefits are provided free of charge to us and other registered investment adviser's utilizing the custodial and brokerage services offered by recommended broker-dealers. The products and services we receive from various broker-dealers will generally be used in servicing all of our clients' accounts and will not depend on your choice of a particular broker-dealer or other third-party service provider. In recognition of the value of research services and additional brokerage products and services recommended broker-dealers provide, you may pay higher commissions and/or trading costs than those that may be available elsewhere. Therefore, you should be aware that the receipt of economic benefits by our firm is a perceived conflict of interest as we may have an economic incentive to recommend a broker-dealer based on our interest in receiving research or other products or services, rather than based solely on your interest in receiving most favorable execution costs.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Directed Brokerage

Persons providing investment advice on behalf of our firm who are registered representatives of WIS will recommend WIS to you for brokerage services. These individuals are subject to applicable rules that restrict them from conducting securities transactions away from WIS unless WIS provides the representative with written authorization to do so. Therefore, these individuals are generally limited to conducting securities transactions through WIS. It may be the case that WIS charges higher transactions costs and/or custodial fees than another broker charges for the same types of services. If transactions are executed through WIS, these individuals (in their separate capacities as registered representatives of WIS) may earn commission-based compensation as result of placing the recommended securities transactions through WIS. This practice presents a conflict of interest because these registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. You may utilize the broker-dealer of your choice and have no obligation to purchase or sell securities through such broker as, we recommend. However, if you do not use WIS, we may not be able to accept your account. Please see the "Fees and Compensation" section in this brochure for more information on the compensation received by registered representatives who are affiliated with our firm.

In limited circumstances, and at our discretion, some clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. If you choose to direct our firm to use a particular broker, you should understand that this might prevent our firm from aggregating trades with other client accounts or from effectively negotiating brokerage commissions on your behalf. This practice may also prevent our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you.

Block Trades

We combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account

performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

Item 13 Review of Accounts

Portfolios are reviewed on a regular basis by William L. Gray, Jr. The review consists of monitoring the asset allocation of the portfolio based upon your current investment objectives and a review of your portfolio holdings. Equity and bond selection is monitored to ensure that only approved securities are held in the accounts. Changes in your investment objectives will trigger portfolio adjustments and additional reviews of your account.

You will receive a statement, at least quarterly, from the custodian holding your account. This statement will show total portfolio value and the securities holdings and activity in the account. You will also receive transaction confirmations on all transactions in your on a trade-by-trade basis.

Item 14 Client Referrals and Other Compensation

As disclosed under the "Fees and Compensation" section in this brochure, persons providing investment advice on behalf of our firm are registered representatives with WIS, a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. For information on the conflicts of interest this presents, and how we address these conflicts, please refer to the "Fees and Compensation" section.

Item 15 Custody

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement, a power of attorney, and/or trading authorization forms.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the "Advisory Business" section in this brochure for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advise provided by our firm on a non-discretionary basis.

Item 17 Voting Client Securities

Proxy Voting

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

Item 18 Financial Information

We are not required to provide financial information to our clients because we do not:

- require the prepayment of more than \$500 in fees and six or more months in advance, or
- take custody of client funds or securities, or
- have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.

Item 19 Requirements for State Registered Investment Advisers

Please refer to the Part 2B brochure supplements for background information about management personnel and those giving advice on behalf of our firm.

Our firm is not actively engaged in any business other than giving investment advice.

Neither our firm, nor any persons associated with our firm are compensated for advisory services with performance-based fees. Please refer to the "Performance-Based Fees and Side-By-Side Management" section above for additional information on this topic.

Neither our firm, nor any of our management persons have any reportable arbitration claims, civil, self-regulatory organization proceedings or administrative proceedings.

Neither our firm, nor any of our management persons have a material relationship or arrangement with any issuer of securities.

Item 20 Additional Information

Your Privacy

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any non-affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, you will keep the profit.

Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

William Loyd Gray, Jr.
CRD# 228160

dba Goodpasture Gray

**2001 Kirby, Suite 715
Houston, Texas 77019**

Telephone : 713-522-9554

April 12, 2012

**FORM ADV PART 2B
BROCHURE SUPPLEMENT**

This brochure supplement provides information about William L. Gray, Jr., that supplements the William Loyd Gray, Jr., dba Goodpasture Gray brochure. You should have received a copy of that brochure. Please contact us at 713-522-9554 if you did not receive William Loyd Gray, Jr., dba Goodpasture Gray's brochure or if you have any questions about the contents of this supplement.

Additional information about William L. Gray, Jr., is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Educational Background and Business Experience

William L. Gray, Jr.

Year of Birth: 1948

Formal Education After High School:

- Texas Christian University, B.S., 1970
- University of Mississippi Law School, 1971 - 1972, Attended

Business Background for the Previous Five Years:

- Goodpasture Gray, Sole Proprietor/Chief Compliance Officer, 2007 - Present
- Western International Securities, Inc., Registered Representative, 1998 - Present
- Goodpasture Gray, Inc., President/Chief Compliance Officer, 1999 - 2007

Item 3 Disciplinary Information

Mr. Gray does not have any reportable disciplinary disclosure.

Item 4 Other Business Activities

Mr. Gray is a registered representative with Western International Securities, Inc., (WIS), a correspondent broker/dealer of J.P. Morgan Global Clearing Corp. WIS is a diversified financial services company engaged in the sale of specialized investment products. In this capacity, Mr. Gray may recommend securities or insurance products offered by WIS as part of your investment portfolio. If clients purchase these products through Mr. Gray, he will receive the customary commissions in his separate capacity as registered representatives of WIS. Additionally, Mr. Gray could be eligible to receive incentive awards such as WIS may offer. He may also receive 12b-1 fees from mutual funds that pay such fees. The receipt of additional compensation may give Mr. Gray an incentive to recommend investment products based on the compensation received, rather than on your investment needs. Please refer to the *Fees and Compensation* section and the *Client Referrals and Other Compensation* section of Goodpasture Gray's firm brochure for additional disclosures on this topic.

Item 5 Additional Compensation

Please refer to the *Other Business Activities* section above for disclosures on Mr. Gray's receipt of additional compensation as a result of his activities as a registered representative of WIS. Also, please refer to the *Fees and Compensation* section and the *Client Referrals and Other Compensation* section of Goodpasture Gray's firm brochure for additional disclosures on this topic.

Item 6 Supervision

Mr. Gray is the Principal and Chief Compliance Officer of Goodpasture Gray; therefore, supervision is not required. He can be reach at 713-522-9554.

Item 7 Requirements for State Registered Advisers

Mr. Gray does not have any reportable arbitration claims. He has not been found liable in a reportable civil, self-regulatory organization or administrative proceeding. He has not been the subject of a bankruptcy petition.

Earl Fain, III
CRD# 203848

dba Goodpasture Gray

**2001 Kirby, Suite 715
Houston, Texas 77019**

Telephone : 713-522-9554

April 12, 2012

**FORM ADV PART 2B
BROCHURE SUPPLEMENT**

This brochure supplement provides information about Earl Fain that supplements the William Loyd Gray, Jr., dba Goodpasture Gray brochure. You should have received a copy of that brochure. Please contact us at 713-522-9554 if you did not receive William Loyd Gray, Jr., dba Goodpasture Gray's brochure or if you have any questions about the contents of this supplement.

Additional information about Earl Fain, is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Educational Background and Business Experience

Earl Fain, III

Year of Birth: 1932

Formal Education After High School:

- Dartmouth College, A.B., Geology, 1955
- University of Texas, 1955-1956, Geology
- Southern Methodist University, Geology, 1958

Business Background for the Previous Five Years:

- Goodpasture Gray, Investment Adviser Representative, 2007 - Present
- Fain Properties, Investments & Real Estate, Principal, 1963 - Present
- Goodpasture Gray, Inc., Investment Adviser Representative, 2004 - 2007

Item 3 Disciplinary Information

Mr. Fain does not have any reportable disciplinary disclosure.

Item 4 Other Business Activities

Mr. Fain does not receive any additional compensation for providing advisory services beyond the fee based compensation he receives through Goodpasture Gray.

Item 5 Additional Compensation

Mr. Fain does not receive any additional compensation for providing advisory services beyond that received as a result of his capacity as an investment adviser representative of Goodpasture Gray.

Item 6 Supervision

Mr. Gray is the Principal and Chief Compliance Officer of Goodpasture Gray; and therefore supervises the investment advisory activities of our firm and our Associated Persons. He can be reached at 713-522-9554.

Item 7 Requirements for State Registered Advisers

Mr. Fain does not have any reportable arbitration claims. He has not been found liable in a reportable civil, self-regulatory organization or administrative proceeding. He has not been the subject of a bankruptcy petition.