

**Part 2A of Form ADV: Barrington Financial Advisors, Inc. Brochure**

**Item 1 – Cover Page**

**William C. Heath, CCO  
Barrington Financial Advisors, Inc.  
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Houston, Texas 77042  
1.713.785.7100  
bheath@barringtonfinancial.com  
03/16/2012**

**This brochure provides information about the qualifications and business practices of Barrington Financial Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at 713.785.7100 and/or bheath@barringtonfinancial.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about [your name] also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 – Material Changes**

On July 28, 2010, the United States Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated 08/16/2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this item will discuss only specific material changes that are made to the brochure and provide clients with a summary of these changes. We will also reference the date of our last annual update of this brochure.

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

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

Currently, this brochure may be requested by contacting William C. Heath, Chief Compliance Officer, Barrington Financial Advisors, Inc. at 1.713.785.7100 or [bheath@barringtonfinancial.com](mailto:bheath@barringtonfinancial.com).

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**The supplement shown below are not applicable to Barrington Financial Advisors, Inc. Therefore, Barrington Financial Advisors, Inc. is not required to include the following supplement in this brochure.**

**- Part 2A, Appendix 1: The “Wrap Brochure”** – Barrington Financial Advisors, Inc. does not sponsor a wrap fee program. Therefore, **Part 2A, Appendix 1** is not applicable to Barrington Financial Advisors, Inc.

**- Part 2B: The “Supplement”** is not applicable to our Chief Trader, Sandip Gokhale. He does not have direct client contact and has discretionary authority over a client’s assets only as part of a team.

## Item 4 – Advisory Business

Barrington Financial Advisors, Inc. provides a copy of ADV Part 2 to every client and a copy will be provided to any prospective client upon request. Fees are negotiable. The factors considered are the size of the account and the type of assets managed. Assets under management as of 08/16/2011: approximately \$36,000,000.00

## Item 5 – Fees and Compensation

### **NET WORTH MANAGEMENT Financial Planning**

In consideration for the services rendered by Barrington Financial Advisors, Inc. (Consultant), pursuant to a NET WORTH MANAGEMENT RETAINER AGREEMENT, the Client shall pay to Consultant a Retainer Fee that shall be calculated in accordance with, and payable pursuant to, the attached applicable compensation schedule

#### **EXHIBITS A & B {Net worth Management & Monitoring}**

Minimum Annual Fee	\$6,500.00
Initial Set Up (1)	\$1,250.00 Non-Refundable
\$1 to \$1,000,000	0.70% of first \$1,000,000 total client asset value
\$1,000,001 to \$2,000,000	0.60% of next \$1,000,000 total client asset value
\$2,000,001 and over	NEGOTIATED

- (1) The Net worth Management & Monitoring Initial Set UP charge of \$1,250 is waived if client elects to start with both the Asset Management & Accounting and the New worth Management & Monitoring services.

#### **EXHIBIT C {Modular Financial Planning}**

Minimum Annual Fee	NONE
INITIAL SET UP (1)	\$500.00 Non-Refundable
Retirement Planning	\$1,675
Education Planning	\$675
Estate Planning	\$1,650
Risk Management Planning	\$1,175
Tax & Cash Flow Planning	\$1,950
Balance Sheet & Net worth Planning	\$725
Investment Portfolio Reporting	\$1,125

- (1) The Modular Financial Planning Initial Set UP charge of \$500 is waived if client elects to select ALL Modules of the Modular Financial Planning services.

**NOTE: All securities must be downloadable to BFA systems. If not, full rate applies.**

### **ASSET MANAGEMENT & ACCOUNTING SERVICES - FEES CHARGED:**

Barrington Financial Advisors, Inc. provides investment supervisory services under a separate Asset Advisory Agreement. Fees are based upon the dollar amount of assets under management depending on the type of assets, the amount of assets managed and the Separately Managed Assets. Barrington Financial Advisors, Inc. percentage charged ranges from 1% to 3% depending upon the amount of dollars under management and the style of management provided.

### **Item 6 – Performance-Based Fees and Side-By-Side Management**

Barrington Financial Advisors, Inc. does not charge performance-based fees.

### **Item 7 – Types of Clients**

Barrington Financial Advisors, Inc. provides portfolio management services to individuals and corporations.

### **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

Investing in securities involves risk of loss that clients are prepared to bear.

First, the firm meets with the client to decide on percentage allocations to various asset classes, such as equities, bonds, macroeconomic notes, fixed income instruments and cash. The allocations are then implemented using investment strategies that best meet the risk threshold established between the firm and client.

The clients' portfolios are rebalanced on an annual basis, or sooner depending upon client need and demand. Regardless of market conditions, clients are encouraged to stick with the asset allocation agreed upon between client and firm.

The risk of investing in equities is the volatility, they can lose value. Trading of securities can affect investment performance, particularly through increased brokerage and other transaction costs and taxes, so Barrington Financial holds investments for the long term and does not do frequent trading unless the market dictates such activity.

## **Item 9 – Disciplinary Information**

William C. Heath has never had a disciplinary event. Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of William C. Heath or the integrity of his management. William C. Heath has never been disciplined, so he has no further information applicable to Item 9.

## **Item 10 – Other Financial Industry Activities and Affiliations**

IARs of the Adviser may be licensed as insurance agents with various insurance companies, and in such capacity, recommend, on a fully disclosed basis, the purchase of insurance related products. IARs of Adviser currently devote part of their time to life insurance commission business.

## **Item 11 – Code of Ethics**

- ▶ As professionals, we will always place the interest of our clients ahead of our own.
- ▶ We will obey all laws and regulations and avoid any conduct or activity, which would cause unjust harm to those who rely upon our professional judgment and skills.
- ▶ We will be diligent in the performance of all our occupational duties.
- ▶ We will help improve public trust and confidence in the securities industry by being an example of integrity and by adhering to the Barrington Financial Advisors Code of Ethics.
- ▶ We will seek continually to maintain and improve our professional knowledge, skills, and competence.
- ▶ We will obey all laws and regulations and avoid any conduct or activity, which would cause unjust harm to those who rely upon our professional judgment and skills.
- ▶ We will be diligent in the performance of all our occupational duties.
- ▶ We will help improve public trust and confidence in the securities industry by being an example of integrity and by adhering to the Barrington Financial Advisors Code of Ethics.

Adviser may buy or sell securities identical to those recommended to its customers for its personal accounts. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to clients.

It is the expressed policy of Adviser that it may not purchase or sell any individual stock or bond prior to a transaction(s) being implemented for an advisory account, and therefore, preventing it from benefiting as a result of transactions placed on behalf of advisory accounts.

As these situations represent a conflict of interest, Adviser has established the following restrictions in order to ensure its fiduciary responsibilities to clients are met:

- 1) Adviser shall not buy or sell securities for its personal portfolio(s) where its decision is substantially derived, in whole or in part, by its role as an Adviser unless the information is also available to the investing public on reasonable inquiry. In no case, shall Adviser prefer its own interest to that of its advisory clients. (a) (b)
- 2) All clients are fully informed that Adviser and/or its IARs may receive separate compensation when effecting transactions during the implementation process.
- 3) Adviser emphasizes the unrestricted right of its clients to decline to implement any advice rendered, except in situations where a Third Party Advisory Service is granted discretionary authority in the client's account.
- 4) Adviser recognizes it must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.

## **Item 12 – Brokerage Practices**

Advisor participates in TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC/NFA. TD Ameritrade is an independent investment [and affiliated] SEC-registered broker-dealer. TD Ameritrade offers to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from TD Ameritrade through its participation in the program. (Please see the disclosure under Item 14 below).

## **Item 13 – Review of Accounts**

Typically clients' accounts are reviewed quarterly with the client or available upon client's request at any time. Clients' get a monthly statement from the custodian and they can request a report at any client meeting.

## **Item 14 – Client Referrals and Other Compensation**

Barrington Financial from time to time offers a credit offset to existing client's future billings for referrals amounting to 10% of the referral's first year collected fees.

As disclosed under Item 12 above, Advisor participates in TD Ameritrade's institutional customer program and Advisor may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between Advisor's participation in the program and the investment advice it gives to its Clients, although Advisor receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount) receipt of duplicate Client statements and confirmations; research related products

and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts) the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Advisor by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Advisor's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Advisor but may not benefit its Clients accounts. These products or services may assist Advisor in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Advisor manager and further develop its business enterprise. The benefits received by Advisor or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Advisor endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor's choice of TD Ameritrade for custody and brokerage services.

## **Item 15 – Custody**

Advisor also receives from TD Ameritrade certain additional economic benefits (“Additional Services”) that may or may not be offered to any other independent investment Advisors participating in the program. Specifically, the Additional Services include Schwab Performance Technologies.

TD Ameritrade provides the Additional Services to Advisor in its sole discretion and at its own expense, and Advisor does not pay any fees to TD Ameritrade for the Additional Services. Advisor and TD Ameritrade have entered into a separate agreement (“Additional Services Addendum”) to govern the terms of the provision of the Additional Services.

Advisor's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to Advisor, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, Advisor's Client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with Advisor, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, Advisor may have an incentive to recommend to its Clients that the assets under management by Advisor be held in custody with TD Ameritrade and to place transactions for Client accounts



with TD Ameritrade. Advisor's receipt of Additional Services does not diminish its duty to act in the best interests of its Clients, including to seek best execution of trades for Client accounts.

### **Item 16 – Investment Discretion**

Barrington Financial Advisors, Inc. usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. When selecting securities and determining amounts, William C. Heath observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided by the client to Barrington Financial Advisors, Inc. in writing and kept in the client file.

### **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, Barrington Financial Advisors, Inc. and William C. Heath do not have any authority to and do not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. William C. Heath may provide advice to clients regarding the clients' voting of proxies.

### **Item 18 – Financial Information**

Sample Language Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about William C. Heath's financial condition. William C. Heath has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

### **Item 19 – Requirements for State-Registered Advisers**

Barrington Financial Advisors, Inc. is registered in the state of Texas. Information about Barrington Financial Advisors, Inc. and William C. Heath has been provided in this brochure.

**ADV Part 2B SUPPLEMENTAL BROCHURE**

**Barrington Financial Advisors, Inc.  
9800 Richmond Avenue, Suite 250  
Houston, Texas 77042**

**713.785.7100  
[www.barringtonfinancial.com](http://www.barringtonfinancial.com)**

**Dated: August 2011**

**William C. Heath**

This brochure supplement provides information about the above-named professional that supplements Barrington Financial Advisors, Inc. brochure. You should have received a copy of that brochure. Please contact us by email at [pcaddell@barringtonfinancial.com](mailto:pcaddell@barringtonfinancial.com) if you did not receive Barrington Financial Advisors' brochure or if you have any questions about the contents of this supplement.

Additional information about the above-named professional is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Educational Background and Business Experience**

### ***WILLIAM C. HEATH – Chief Compliance Officer (CCO) & Chief Executive Officer (CEO)***

Year of Birth: 1938  
Education: University of So. California (BS Education) 1960  
University of Houston (MBA) 1980  
Certified Financial Planner Designation 1981

Business Background: 1972 - Present, Barrington Financial Advisors, Inc., Sole Shareholder

## **Item 3 – Disciplinary Information**

There are no legal or disciplinary actions to report on this professional.

## **Item 4 – Other Business Activities**

William C. Heath is a registered real estate broker license (#00166436-36) and a mortgage broker license (#300156) and may receive compensation from these professional services as outside activities. Barrington Financial Advisors client's are not required to use these services but may engage these services at the client's sole discretion.

## **Item 5 – Additional Compensation**

William C. Heath may earn compensation from Item #4 above and from the sale of insurance related products.

## **Item 6 – Supervision**

This professional is part of the Investment Policy Committee (IPC). The IPC works as a team to set the investment protocol for clients. The IPC meets daily and will review the status of client reviews as appropriate.

**ADV Part 2B SUPPLEMENTAL BROCHURE**

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**Dated: August 2011**

**Jason L. Shade**

This brochure supplement provides information about the above-named professional that supplements Barrington Financial Advisors, Inc. brochure. You should have received a copy of that brochure. Please contact us by email at [pcaddell@barringtonfinancial.com](mailto:pcaddell@barringtonfinancial.com) if you did not receive Barrington Financial Advisors' brochure or if you have any questions about the contents of this supplement.

Additional information about the above-named professional is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Educational Background and Business Experience**

### ***Jason L. Shade - Registered Representative***

Year of Birth: 1970

Education: Bucknell University (BA Liberal Arts with a focus in Economics and Foreign Policy) 1995

Business Background: July 2011 - Present, Barrington Financial Advisors, Inc., Registered Rep.  
June 2008 - Present, Shade Capital Management, Inc., Sole Shareholder  
Dec. 2001 - June 2008, San Foi Audits, Marketing Representative

## **Item 3 – Disciplinary Information**

There are no legal or disciplinary actions to report on this professional.

## **Item 4 – Other Business Activities**

Jason L. Shade – Shade Capital Management, Inc.

There is not a business relationship between Barrington Financial Advisors, Inc and Shade Capital Management, Inc.

There is no conflict of interest with the clients between Barrington Financial Advisors, Inc. and Shade Capital Management, Inc.

## **Item 5 – Additional Compensation**

There is no additional compensation to report for this professional.

## **Item 6 – Supervision**

This professional is part of the Investment Policy Committee (IPC). The IPC works as a team to set the investment protocol for clients. The IPC meets daily and will review the status of client reviews as appropriate. The members of the IPC will also meet one on one with the CEO to discuss client portfolios and the advice to be given.

Mr. Shade reports to William C. Heath who supervises his activities.

**ADV Part 2B SUPPLEMENTAL BROCHURE**

**Barrington Financial Advisors, Inc.  
9800 Richmond Avenue, Suite 250  
Houston, Texas 77042**

**713.785.7100  
www.barringtonfinancial.com**

**Dated: August 2011**

**Debra A. Hartsfield**

This brochure supplement provides information about the above-named professional that supplements Barrington Financial Advisors, Inc. brochure. You should have received a copy of that brochure. Please contact us by email at [pcaddell@barringtonfinancial.com](mailto:pcaddell@barringtonfinancial.com) if you did not receive Barrington Financial Advisors' brochure or if you have any questions about the contents of this supplement.

Additional information about the above-named professional is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Educational Background and Business Experience**

### ***Debra A. Hartsfield – Director of Financial Planning***

Year of Birth: 1957  
Education: Texas Tech University (BS Engineering) 1980  
ChFC Designation 1992

Business Background: 1997 - Present, Barrington Financial Advisors, Inc., Director of Financial Planning

## **Item 3 – Disciplinary Information**

There are no legal or disciplinary actions to report on this professional.

## **Item 4 – Other Business Activities**

Debra Hartsfield - None

## **Item 5 – Additional Compensation**

There is no additional compensation to report for this professional.

## **Item 6 – Supervision**

This professional is part of the Investment Policy Committee (IPC). The IPC works as a team to set the investment protocol for clients. The IPC meets daily and will review the status of client reviews as appropriate. The members of the IPC will also meet one on one with the CEO to discuss client portfolios and the advice to be given.

Ms. Hartsfield reports to William C. Heath who supervises his activities.