

Form ADV Part 2.A

Item 1 – Cover Page

D F Burch Advisors, Ltd.
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May 22, 2012

This brochure provides information about the qualifications and business practices of D F Burch Advisors, Ltd. (called “we” or “Burch Advisors” or “the firm” in this document). If you have any questions about the contents of this brochure, please contact David Burch at (214) 696-1725. 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 Burch Advisors is available on the following website: **www.adviserinfo.sec.gov**.

Burch Advisors is a registered investment advisor. Registration does not imply any level of skill or training.

Item 2 – Material Changes

Since the last version of this brochure was issued on March 27, 2012, there have been no material changes.

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

Our brochure may be requested by contacting David F. Burch, Managing Partner, by telephone at (214) 696-1725 or by email at dfburch@atlasfund.net.

Additional information about Burch Advisors is also available on the following website: **www.adviserinfo.sec.gov**, which also provides information about any persons affiliated with Burch Advisors who are registered, or are required to be registered, as investment advisor representatives of Burch Advisors.

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Item 4 – Advisory Business

Description of the Firm

Founded in 2004, Burch Advisors offers investment supervisory services to family partnerships and to a pooled investment vehicle managed under the name Atlas Fund, Ltd. (“Atlas Fund” or “the Fund”). David F. Burch, managing partner and principal owner of Burch Advisors, has more than twenty-five years of experience in the investment advisory and financial services professions. Burch Advisors provides discretionary investment management services to its investment advisory clients.

Burch Advisors specializes in, but is not limited to, management of equities and fixed-income securities. Burch Advisors manages these types of investments in both domestic and foreign markets. As of December 31, 2011, Burch Advisors’ assets under management were \$52,019,421, all of which were managed on a discretionary basis. We have no non-discretionary accounts.

Services to Atlas Fund

Burch Advisors serves as the investment advisor to and the general partner of Atlas Fund, a private limited partnership. Investors in Atlas Fund are required to meet certain financial qualifications, and the minimum investment in Atlas Fund is \$500,000. The investment objective of Atlas Fund is to provide the limited partners with capital appreciation from an aggressive management style achieving both short term and long term capital gains in individual investments consisting primarily of equity securities.

Services to Other Clients

Burch Advisors offers discretionary equity and fixed-income portfolio management services to its clients other than Atlas Fund. Currently Burch Advisors’ clients with individually managed accounts are all family partnerships. We tailor our services to the individual needs of each client by interviewing the client to determine the client’s investment objectives and income requirements, agreeing on an investment policy for the client’s account, and structuring the client’s portfolio to meet the client’s requirements. We periodically review the client’s portfolio with the client in person or by phone. Clients of Burch Advisors, upon mutual agreement, may place restrictions on the types of securities we buy for managed accounts.

Item 5 – Fees and Compensation

A. Clients Other than Atlas Fund

Fees

Investment advisory fees for clients other than Atlas Fund are usually based on a percentage of the client's assets under Burch Advisors' management and are charged quarterly in advance. If an investment advisory agreement becomes effective partway through a calendar quarter, fees are prorated for the period from the effective date of the agreement to the close of the calendar quarter. Our usual annual advisory fees to clients other than Atlas Fund are as follows: for equity accounts, 1% of assets under our management and for fixed income accounts, 0.25% of assets under our management.

Burch Advisors also offers investment advisory services for a fixed fee, which will be determined according to the client's circumstances. We do not have a standard agreement that we use for fixed fee arrangements. Instead, Burch Advisors will prepare an individually tailored investment advisory agreement for fixed fee clients. It is not possible to estimate our fixed fees because each engagement is unique. The amount of a fixed fee depends on the services the client requires and the amount of time necessary to perform those services.

In certain situations, such as multiple accounts in one family, fees may be negotiable and therefore fees may vary from client to client.

We calculate the value of a client's account, including cash, as of the last day of each calendar quarter on which the New York Stock Exchange is open for trading. For purposes of determining the value of assets in a client's account, securities traded on a national securities exchange are valued at the last sale price reported on the composite transactions tape, or if there has been no sale that day, at the last known bid price; securities traded in the over-the-counter market and quoted by the National Association of Securities Dealers Automated Quotation Service ("NASDAQ") are valued at the last bid quoted by NASDAQ; securities traded in the over-the-counter market not quoted by NASDAQ will be valued at the last known bid price; securities for which market quotations are not readily available are valued at the bid price that we believe most nearly represents current market value; and other securities and all other assets are valued at the fair market value we determine in good faith.

Burch Advisors' fees do not include any brokerage commissions, bank fees, margin interest, national securities exchange fees, wire transfer fees or other costs or fees associated with securities transactions. Clients' funds awaiting investment may be placed in a money market fund; Burch Advisors' fees do not include any internal fees and expenses of any money market fund. Accounts with funds invested in mutual funds and exchange-traded funds will bear a proportionate share of each fund's fees and expenses. Other professionals, such as accountants and attorneys, may be engaged to provide services for the client's account at the client's expense; Burch Advisors will seek the client's consent, in advance, before fees are incurred from other professionals.

Burch Advisors' brokerage practices are discussed in more detail in *Item 12: Brokerage Practices* below.

Payment of Fees

Our fees for individually managed accounts are billed quarterly in arrears and are based on the value of the account on the last business day of the preceding calendar quarter. We send invoices to clients for payment and do not deduct our fees from clients' accounts.

Termination of Agreements

Clients are required to sign a written investment advisory agreement with Burch Advisors. The agreement provides that it shall be continuous until one party to the agreement terminates it and that the client may terminate the agreement within five business days of its effective date without paying any fees or penalties to Burch Advisors. The agreement also provides that once the initial five-day period has passed, either party to the agreement may terminate the agreement at any time by providing written notice to the other party. If the agreement is terminated partway through a calendar quarter, Burch Advisors will send the client a prorated invoice for fees incurred from the effective date of the agreement, and refund the difference.

B. Atlas Fund

Fees

Fees to investors (limited partners) in Atlas Fund are charged quarterly in arrears. The usual annual fee for investors in Atlas Fund is 0.80% of the value of assets owned by the Fund, plus a performance fee if certain criteria are met. The Fund's partnership agreement provides that if the partnership terminates on a day which is not the last day of a calendar quarter, the partnership shall pay to the general partner a quarterly management fee equal to the product of (i) 1/4 of 2.5% (a 2.5% annual rate) multiplied by (ii) the net asset value of each limited partner's capital account determined on the date of termination multiplied

by (iii) a fraction, the numerator of which is the number of days that have elapsed during such calendar quarter and the denominator of which is 90. When this fee is applicable, it is shared pro-rata by all limited partners.

In some circumstances, fees for investors in Atlas Fund may be negotiated and therefore fees may vary from investor to investor. Prospective investors in Atlas Fund are provided detailed disclosure information about the Fund, its management, and its fees and are required to sign a subscription agreement.

Our fees from Atlas Fund do not include any brokerage commissions, custodial fees, bank fees, margin interest, national securities exchange fees, wire transfer fees or other costs or fees charged by the Fund's brokers or custodian. Money market funds, exchange traded funds, and mutual funds charge clients, including Atlas Fund, for their internal fees and expenses. We do not share in any of these internal fees and expenses. Please see *Item 12: Brokerage Practices* for additional information about brokerage practices.

Payment of Fees

Fees are deducted quarterly in arrears from each Atlas Fund limited partner's capital account.

Withdrawals from Atlas Fund

Typically, a limited partner in Atlas Fund is not permitted to make a withdrawal during the twelve month period immediately following the date of such limited partner's initial capital contribution to the Fund. Thereafter, capital may be withdrawn from the Fund in part (\$25,000 minimum unless waived by us) or completely at the end of each calendar quarter. However, written notice of a requested withdrawal must be provided to us at least 45 days prior to the withdrawal date. We may waive the 45-day notice of withdrawal in our sole discretion. We may reduce the amount of the requested withdrawal by reasonable charges and expenses incurred by the Fund in connection with the withdrawal and reserve for certain Fund liabilities. There are other significant limitations on withdrawals. Prospective investors in Atlas Fund are provided a copy of the partnership agreement, the withdrawal provisions of which they should review carefully.

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

Compensation of Burch Advisors from Atlas Fund

In addition to the advisory fee Burch Advisors receives from each limited partner of Atlas Fund, we will also receive a performance fee equivalent to 20% of the Fund's annual net appreciation in excess of the first 5% of such net appreciation. If a limited partner is admitted in a month other than January, the 5% threshold will be prorated. The performance fee portion of our compensation may create an incentive for us to make investments that are riskier or more speculative than we would make in the absence of the performance fee arrangement.

Compensation of Burch Advisors from Individually Managed Accounts

Atlas Fund is the only client of Burch Advisors that pays performance fees. The firm's individually managed accounts do not pay performance fees.

Side-by-Side Management

Burch Advisors has evaluated the potential for a conflict of interest that could arise from the fact that the firm is paid performance fees by one type of account but not by the other type of account. Because the two types of accounts have different investment objectives and invest in different kinds of securities, Burch Advisors does not believe that any conflicts currently exist. For example, there are no situations in which Mr. Burch is required to choose whether Atlas Fund or an individually managed account receives allocations of securities in a partially filled order. There are no situations in which Mr. Burch has insufficient time to devote to an individually managed account because he is working on Atlas Fund's account. We will continue to monitor potential conflicts between Atlas Fund and the firm's individually managed accounts, but we have not identified any conflicts at this time.

Item 7 – Types of Clients

Burch Advisors provides portfolio management services to family partnerships and serves as the general partner of and investment adviser to Atlas Fund. Investors (limited partners) in the Fund are required to meet certain qualifications, and the minimum investment in the Fund is \$500,000. Investors in the Fund must be "qualified clients" as that term is defined in Rule 116.13 (b) of the rules promulgated under the Texas Securities Act. Generally, a "qualified client" is a natural person who, or a company that, immediately

after entering into the contract has at least \$1,000,000 under the management of the investment adviser or a natural person who, or a company that, the investment adviser entering into the contract (and any person acting on his behalf) reasonably believes, immediately prior to entering into the contract, has a net worth, together with his or her spouse, of more than \$2,000,000. For purposes of calculating a natural person's net worth:

- (1) The person's primary residence must not be included as an asset;
- (2) Indebtedness secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time the investment advisory contract is entered into may not be included as a liability (except that if the amount of such indebtedness outstanding at the time of calculation exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess must be included as a liability); and
- (3) Indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the residence must be included as a liability;

An investor who is a "qualified purchaser" under the Investment Company Act of 1940 at the time the contract is entered also meets the definition of qualified client. Generally, a qualified purchaser is a person with at least \$5,000,000 in investment assets or a company with at least \$25,000,000 in investment assets.

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

Burch Advisors' security analysis methods include: fundamental analysis incorporating company balance sheet and earnings analysis accompanied with analysis of industry fundamentals, technical or charting, and cyclical or economic analysis.

Our main sources of information are financial newspapers and magazines, inspections of corporate activities, research materials provided by others, corporate rating services, timing services, annual reports, prospectuses, filings with the SEC, participation in analyst conference calls, and company press releases. We also attend company meetings and industry conferences when available.

For Atlas Fund, we use research materials provided by Buyside Custom Research & Consulting, LLC. Buyside acts as an outsourced internal analyst providing independent fundamental research for the Fund.

Our investment strategies include the purchase and sale of individual equity securities, both long-term (securities held at least a year) and short-term (securities held less than a year), short sales of equity securities with the intent of profiting from a decline in stock price, purchase and sale of fixed-income securities, and various equity option strategies, excluding the short-sale of uncovered puts or calls. We occasionally use exchange traded funds (ETF's) to achieve our short-term trading objectives. We never use leverage in our investment accounts, nor do we ever use listed or unlisted futures contracts.

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

Clients should be aware that even if we use our best efforts, our efforts may not be successful. Any security in a client's account, other than a United States Treasury instrument, could lose all or part of its value. Many factors and events outside our control can affect the securities markets and the value of securities in your account. Examples include, but are not limited to, changes in domestic or foreign political leadership, breaking news events, natural disasters, adverse weather conditions, terrorist activity, or changes in the Internal Revenue Code. We may not be able to accurately predict the effects on the securities markets of these factors and events or how they may affect the value of securities held in clients' accounts. **We do not guarantee the future performance of your account or any specific level of performance, the success of any investment decision or strategy that we may use, or the success of our overall management of your account.**

Risks associated with purchase of equity securities include but are not limited to risk of loss due to general market decline, failure to produce stock value associated with earnings growth or realization of asset values, deterioration in industry fundamentals, and loss due to corporate management failure or malfeasance.

Risks associated with the "short sale" of securities include the potential for significant loss. When a stock is sold short, the short-seller must eventually repurchase the security in the open market at a price that might be substantially higher than the price at which the stock was sold short.

Fixed income investment risks include risk of default (for corporate securities), and risk of principal loss resulting from rising interest rates.

Item 9 – Disciplinary Information

This item requires us to disclose material facts regarding certain legal or disciplinary events that would be material to your evaluation of the firm or Mr. Burch. We have no information applicable to this item.

Item 10 – Other Financial Industry Activities and Affiliations

Burch Advisors is the general partner of and the investment advisor to Atlas Fund, an investment limited partnership. We share an office suite with Atlas Fund, and we may share support personnel. We have not identified any conflicts involving Atlas Fund. See *Item 6: Performance-Based Fees and Side-by-Side Management* above.

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

Burch Advisors is the general partner of and investment adviser to Atlas Fund, an investment limited partnership. We receive compensation for serving as the general partner and investment adviser to the Fund. Some of our clients with individually managed accounts may also be or become limited partners of the Fund. Prospective limited partners in Atlas Fund should refer to the fund's private placement memorandum for details concerning the fund, its investments, and the compensation paid to Burch Advisors.

Employees of Burch Advisors may buy or sell securities for their personal accounts that the firm also recommends to clients. In order to prevent "front-running" and to avoid potential conflicts of interest, it is our policy that no employee of the firm may buy or sell a security for his or her account when there is an open order pending in the same security for a client. In all situations, the interests of clients will have priority over the interests of Burch Advisors and its employees.

Burch Advisors has adopted a code of ethics that emphasizes the firm's fiduciary duty to its clients. Clients or prospective clients may obtain a copy of the firm's code of ethics upon request. Additionally, as a Chartered Financial Analyst, David Burch is subject to the CFA Institute's code of ethics and standards of professional conduct. This code of ethics provides that members of the CFA Institute shall:

- Act with integrity, competence, dignity, and in an ethical manner when dealing with the public, clients, prospects, employers, employees, and fellow members;
- Practice and encourage others to practice in a professional and ethical manner that will reflect credit on members and their profession;

- Strive to maintain and improve their competence and the competence of others in the profession; and
- Use reasonable care and exercise independent professional judgment.

Item 12 – Brokerage Practices

Investment or Brokerage Discretion

Clients grant Burch Advisors full discretion to manage their accounts. Burch Advisors selects brokerage firms, determines the securities to be bought and sold and the amounts of the sales and purchases, and may negotiate commissions. In recommending brokers, Burch Advisors considers the range and quality of the products the brokerage firm offers, the technical support the brokerage firm provides, the brokerage firm's execution capability, the commissions to be paid, the financial responsibility of the brokerage firm, and the responsiveness of the brokerage firm to Burch Advisors.

Clients with individually managed accounts may direct Burch Advisors to use a specific brokerage firm in executing transactions for the client's account. Clients who direct brokerage should be aware that they may not receive benefits available to other clients whose accounts are traded through brokers that Burch Advisors selects. These benefits may include negotiated commissions and volume discounts on batched orders.

Additional Compensation

Various brokerage firms may provide research to Burch Advisors as a benefit when we execute trades. We currently have an arrangement with William O'Neil and Company whereby charting and fundamental data are provided to us in exchange for commissions paid. Varying levels of service require different commission commitments by Burch Advisors.

Additionally, BNP Paribas Prime Brokerage Services ("BNP") supplies Burch Advisors with access to its prime brokerage platform for the benefit of Atlas Fund and select managed accounts which use BNP to provide prime brokerage and custody services. This platform enables Atlas Fund's accountants and Burch Advisors, as general partner of Atlas Fund, to have access to BNP's web-based portfolio accounting system. Additionally, BNP provides an electronic trading platform to Burch Advisors to help facilitate electronic trades through BNP.

Burch Advisors has a soft dollar agreement with BNP. The commissions generated with BNP can be used to pay third party invoices, strictly for research purposes that fall within the safe harbor provided by Section 28(e) of the Exchange Act.

Item 13 – Review of Accounts

Review of Accounts. David Burch, managing partner of the firm, reviews all accounts managed by Burch Advisors. Because Mr. Burch receives daily updates from the custodian regarding pricing and valuation of the securities in the account, Mr. Burch is able to review each account on a continuous basis. Accounts are formally reviewed at least quarterly. In reviewing individually managed accounts, Mr. Burch examines asset allocation, performance, and compliance with the client's investment objectives. More detailed review of an account may be triggered by a number of factors, including changes in the market conditions, changes in a client's financial situation, breaking news events, changes in tax laws, or any other factor Mr. Burch deems significant.

Reports to Atlas Fund Limited Partners. Limited partners of Atlas Fund receive copies of the Fund's audited annual financial statements within 120 days after the end of the Fund's fiscal year. These financial statements are prepared by an independent certified public accounting firm. Limited partners also receive quarterly unaudited performance reports within 60 days of the end of each calendar quarter.

Reports to Clients with Individually Managed Accounts. We issue quarterly reports to clients with equity accounts and annual reports to clients with fixed income accounts. These reports include a description of each security purchased or sold, its cost, and its current market value. More frequent reports are available upon the client's request. Additionally, clients receive quarterly reports from their account's custodian.

Item 14 – Client Referrals and Other Compensation

Other than the research products described in *Item 12: Brokerage Practices* above, we receive no economic benefit from non-clients in connection with the investment advice we provide. Our only source of revenue is the advisory fees paid by our clients. We do not pay referral fees.

Item 15 – Custody

Under Rule 116.17 promulgated under the Texas Securities Act, Burch Advisors has custody of Atlas Fund's assets. Atlas Fund is audited annually by an independent certified public accounting firm registered with and subject to regular inspection by the Public Company Accounting Oversight Board. The accounting firm prepares Atlas Fund's financial statements in accordance with generally accepted accounting principles. Atlas Fund distributes copies of these financial statements to all limited partners within 120 days of the end of Atlas Fund's fiscal year.

All individually managed accounts are maintained with a qualified custodian such as a bank or broker-dealer. Currently BNP Paribas is the custodian of our individual clients' accounts, and BNP Paribas sends monthly statements to those clients. Clients should review their custodian's statements carefully. Burch Advisors also sends quarterly statements to our individual clients. We urge you to compare our statements to your custodian's statements. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities, but if you observe any discrepancies between our statements and your custodian's statements, you should contact us as soon as possible.

Item 16 – Investment Discretion

In our investment advisory agreement, the client grants us complete authority to make all investment decisions concerning the client's account and to make the sales, purchases, and reinvestments necessary to carry out the client's investment objectives. The client grants us the authority to trade in the client's custodial account(s) by signing the appropriate documents, such as a limited power of attorney for trading, with the client's custodian.

Clients typically grant us the authority to determine:

- The securities to be bought and sold for a client's account;
- The amount of securities to be bought or sold for a client's account;
- The broker or dealer to be used for a purchase or sale of securities for a client's account, unless the client of an individually managed account directs us to use a particular broker-dealer; and
- The commission rates to be paid to a broker or dealer for a client's securities.

Clients may provide us with written restrictions and guidelines concerning investments. We encourage clients to prepare written investment policy statements. See additional information on discretionary authority in *Item 12: Brokerage Practices* above.

Item 17 – Voting Client Securities

Burch Advisors does not vote proxies for accounts of clients other than Atlas Fund. For ERISA-covered accounts, the right to vote proxies must be delegated to a fiduciary other than Burch Advisors in writing before the firm will enter an investment advisory agreement.

Item 18 – Financial Information

We have no financial condition that impairs our ability to meet contractual and fiduciary commitments to clients. We have never been the subject of a bankruptcy proceeding.

Item 19 – Requirements for State-Registered Advisers

Biographical information for principal executive officer:

David F. Burch

Born: 1956

Education: BBA, Baylor University, 1979
Chartered Financial Analyst, 1992

Business background during the past five years:
Managing Partner, D F Burch Advisors, Ltd., 2004-present
General Partner, D F Burch, Inc., 1994-present
President, Burch Capital Management, Inc., 1991-2008

State-registered advisers are required to disclose:

- **Information regarding performance fees.** As noted in *Item 6: Performance-Based Fees and Side-By-Side Management* above, in addition to the advisory fee Burch Advisors receives from each limited partner of Atlas Fund, we will also receive a performance fee equivalent to 20% of the Fund's annual net appreciation in excess

of the first 5% of such net appreciation. If a limited partner is admitted in a month other than January, the 5% threshold will be prorated. The performance fee portion of our compensation may create an incentive for us to make investments that are riskier or more speculative than we would make in the absence of the performance fee arrangement.

- **Any awards in arbitrations or in civil proceedings, self-regulatory organization proceedings, or administrative proceedings against Burch Advisors or a management person.** Neither Burch Advisors nor its sole management person, David Burch, has had an award against them in any arbitrations, civil proceedings, self-regulatory organization proceedings, or administrative proceedings.
- **Any relationships or arrangements of Burch Advisors or a management person with issuers of securities.** Neither Burch Advisors nor David Burch has any relationships or arrangements with issuers of securities other than the relationship with Atlas Fund discussed throughout this brochure.