

DISCLOSURE BROCHURE

COVER PAGE
THE INVESTMENT ADVISORS ACT OF 1940 RULE 204-3
FORM ADV PART 2A



Griffith & Werner, Inc.

Investing In You.

Firm CRD/IARD #: 136380
SEC File #: 801-68661

Griffith & Werner, Inc.

REGISTERED INVESTMENT ADVISOR

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ITEM 1

This Disclosure Brochure provides information about the qualifications and business practices of Griffith & Werner, Inc., which should be considered before becoming a client. You are welcome to contact us if you have any questions about the contents of this brochure - our contact information is listed to the right. Additional information about Griffith & Werner, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

The information contained in this Disclosure Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Administrator.

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BROCHURE
DATED

1
JANUARY
2012



MATERIAL CHANGES

ITEM 2

There have been no material changes made to this document since the last revision date indicated on the cover of this Disclosure Brochure.



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ADVISORY BUSINESS

ITEM 4

Who We Are

Griffith & Werner, Inc. is a registered investment advisor¹ offering personalized asset management and financial planning services to assist you, our client², with creating financial stability and security and the financial independence you desire.

Our History

Griffith & Werner, Inc. (hereinafter referred to as "the Company", "we", "us" and "our") has been offering advisory services under the leadership of Darryl C. Werner since the inception of our firm in March of 1983. We have over 28 years of experience in asset management and financial planning.

Owners

The Company is controlled by the following persons:

| Name | Title | CRD# |
|-------------------|--------------------------------------|---------|
| Gregory S. Phelps | President & Chief Compliance Officer | 4845819 |

Assets Under Management

As of January 1, 2012, our assets under management totaled:

| | |
|--|--------------|
| Client Discretionary Managed Accounts..... | \$27,800,000 |
| Client Non-Discretionary Managed Accounts..... | \$15,700,000 |

Our Mission

Our mission is to come alongside you and assist with making your dreams a reality. We do everything in our power to keep you focused on where you want to go, offer advice on how to get there, and continually remind you of the importance of maintaining a disciplined approach to realizing your dreams.

What We Do

Our asset management and financial planning services are designed to assist you achieve success and fulfillment in both your personal and financial life. These services stress fiscal responsibility and disciplined economic decision-making ultimately designed to protect your monetary needs for today, tomorrow, and in the future.

¹ The term "registered investment advisor" is not intended to imply that Griffith & Werner, Inc. has attained a certain level of skill or training. It is used strictly to reference the fact that we are "Registered" as an "Investment Advisor" with the United States Securities & Exchange Commission - and "Notice Filed" with such other State Regulatory Agencies that may have limited regulatory jurisdiction over our business practices.

² A client could be an individual and their family members, a family office, a foundation or endowment, a corporation and/or small business, a trust, a guardianship, an estate, another fiduciary or any other type of entity to which we choose to give investment advice.



Our central duty is to manage your wealth and assist you in making intelligent, informed decisions on the complex financial options available in today's economic environment. We provide this service through:

- ❖ Active investment management to take advantage of the current economic environment.
- ❖ Risk management strategies that reduce the fluctuations and volatility of investment returns based on your risk tolerance level.
- ❖ Monitoring the investment performance of such management strategies.
- ❖ The construction of a financial plan, when necessary, to evaluate the investing and financial options available to you based upon your defined goals.

How We Get to Know You

As a new client, we will often engage you in a pre-advisory consultation to discuss issues such as your current income and expenses, career, personal goals, investment return expectations and prior investment experience. In addition, we have you complete a profile questionnaire³, as asked for in our Investment Management Agreement, to provide us a picture of your financial needs.

With the complexity of today's marketplace, it is critical for us to understand who you are and what you want to accomplish financially. We must have a clear picture of your unique financial composition and risk tolerance so that we can develop a successful portfolio management strategy and tailored asset allocation guideline. If you have difficulty expressing your monetary needs or do not truly have a grasp of your overall personal finances, a financial plan may be suggested before proceeding with any investment services.

Our meetings with you to discuss your finances, and, if necessary, develop a financial plan, will help to eliminate much of the guesswork in achieving the security and independence you desire and simplify your financial alternatives. In return, we will have:

- ❖ Defined and narrowed objectives and investment options;
- ❖ Identified areas of greatest distress;
- ❖ Developed a strategy for addressing concerns about the future;
- ❖ Cultivated peace of mind; and,
- ❖ Created a unique picture of your overall economic personality.

Once your financial parameters have been identified, we will prepare an Investment Policy Statement that outlines what asset mix is most suitable for your unique investment expectations and risk tolerance. This Investment Policy Statement will guide us in the management of your account(s), and as a standard against which to measure future results and to make modifications where necessary.

³ The profile questionnaire we use is an important tool in gathering information about your investment methodology, risk tolerance, income/tax bracket, liquidity, time horizons, etc. If you elect not to answer the questionnaire or chooses to respond with limited input, it is possible that we could operate in a handicapped capacity contrary to your investment needs. Therefore, if you desire the most effective and accurate recommendations regarding your managed account(s), you should make every effort to provide us with your detailed personal needs and objectives, along with detailed financial and tax information.



Services We Offer

Asset Management

Depending on your monetary needs and investment objectives, time horizon, and risk tolerance, along with your unique desires, we can offer you three (3) Asset Management services. The Asset Management services are as follows:

Portfolio Management

Our Portfolio Management strategies focus on designing a portfolio allocation of investment company products (mutual funds) and variable annuity sub-accounts to achieve the best return on your investment capital relative to your investment parameters. Investment parameters are defined as your personal benchmarks and tolerance to risk outlined in your Investment Policy Statement.

Portfolio Monitoring

Portfolio Monitoring is the selection of a third-party money manager ("Portfolio Manager") to manage your portfolio account, we will recommend Portfolio Managers for you to choose whose investment disciplines most closely resemble your investment objectives, time horizon, and risk tolerance as outlined in your Investment Policy Statement.

We will perform any initial qualifying analysis that may be required by the Portfolio Manager(s) including any professional, administrative and clerical duties prior to opening any accounts and any follow-up thereafter. Under this arrangement the Portfolio Manager(s) may have little or no direct contact with you.

Investment Consulting

With our Investment Consulting services we will construct an Investment Policy Statement and customized investment portfolio for you to implement. Under this arrangement, we do not provide any on-going Asset Management or Portfolio Monitoring of the client's account. However you can contact us, if you so choose, to set-up a quarterly review of your account to determine how the account is performing based on your asset allocation guidelines. We will review the account and make any recommendation, if necessary, to rebalance the account.

You will find more information about our Asset Management services under Item 5, "Fees & Compensation" and further description of our management style under Item 8, "Methods of Analysis, Investment Strategies & Risk of Loss".

Financial Planning

Financial planning is one of the most important services that successful people use to create an extraordinary personal life and business career. However it requires a lifetime commitment, not only from us, the Financial Planner, but from you as well.

The financial planning process helps to identify and/or clarify purpose, values, needs, and priorities and align your financial decisions with your lifestyle choices (e.g., intellectual, spiritual, family, financial, and philanthropic) so the goals and plans we design reflect how *you* define true wealth not us. It is our conviction that success, achievement, and contentment in life have little correlation to material wealth but are instead related to wise lifestyle choices. These lifestyle choices are your unique fundamental core values. As a result, at times the advice we offer may have little to do with your financial assets but rather what is best for you and your family.



What is a Financial Plan?

Financial planning is an evaluation of the investment and financial options available to you based upon your defined lifestyle choices. Planning includes: (i) attempting to make optimal decisions; (ii) projecting the consequences of these decisions for you in the form of a financial plan – a working blueprint; and, (iii) implementing the protocol to achieve the objectives of the plan. Once complete, the plan is then used to compare future performance against the working blueprint.

Financial Planning Composition

A financial plan can be coordinated – a mutually defined review of your personal financial life needs; or, targeted – a review, analysis and evaluation of a core area of financial need. In general, our financial planning may encompass one or more of the following areas of financial need as communicated by you:

- ❖ Identify and clarify personal and family core values, mission, vision, and goals.
 - ❖ Preparation of the financial plan/roadmap, which encompasses your:
 - Current financial situation.
 - Liquidity and asset preservation needs.
 - Wealth accumulation and growth.
 - Wealth distribution and transfer.
- More specifically the financial plan/roadmap may include, but is not limited to the following modules:
- Financial Statements – Cash Flow and Balance Sheet.
 - Savings and Emergency Reserves.
 - Asset Allocation and Investment Portfolio Analysis.
 - Potential Income Tax consequences in collaboration with your tax advisor.
 - Risk Management and Insurance Analysis.
 - Retirement and Income Analysis.
 - Long-Term Healthcare.
 - Estate and Family Legacy Planning.
 - Business Succession Planning.
- ❖ Outline of recommendations, strategies, solutions and resources.
 - ❖ Prioritizing and implementing the written action plan.
 - ❖ Investment consultations that allow us to create and implement a customized investment strategy tailored to your long-term investment goals.
 - Prepare a professional investment proposal that will include a written Investment Policy Statement.
 - Access to our open-architecture platform with a variety of investment management solutions.
 - ❖ Informative periodicals, market commentaries and research via e-mail and website.
 - ❖ Facilitate meetings with you and/or advisors or specialists within our professional network.
 - ❖ Coordinate and facilitate meetings with family members, business associates, partners or other key individuals to assist with implementing your action plan.

Preparing the Financial Plan

We gather the necessary information to complete our analysis through personal interviews, review of various documents supplied by you, and completion of one or more profile questionnaires. Information gathered may include statements regarding your current financial status, a list of assets, insurance, wills and/or trust documents, income and



expenses, Social Security eligibility, and other information⁴ based on your financial status and future goals.

FEES & COMPENSATION

ITEM 5

Portfolio Management

Portfolio management is provided on an asset-based fee arrangement that is a **non-negotiable annual rate of 1.10%**. Our management fee is calculated based on the aggregate market value of your account on the last business day of the prior calendar month multiplied by one-twelfth ($1/12^{\text{th}}$) of the annual percentage rate (i.e., $1.10\% \div 12 = 0.09167\%$).

In addition to the management fee we charge to manage your portfolio(s), some of the open-end Investment Company Funds we recommend assess a 12(b)-1 distribution or trailer fee of which we can collect up to an additional 0.50% of your assets managed by that Mutual Fund. These 12(b)-1 fees are built-in costs paid by the Investment Company regardless of whether we collected a portion or not. We have elected to accept a portion of these distribution fees to help keep the overall management fee we bill your account lower than what could be if we did not accept the 12(b)-1 fee. Therefore because we receive a 12(b)-1 distribution fee, the fee we earn for managing your portfolio could be higher than the 1.10% but will not exceed 1.60%:

| | | |
|----------------|---|-------------|
| Management Fee | + | 12(b)-1 Fee |
| 1.10% | | Up to 0.50% |

For more information on these fees, please refer to “12(b)-1 Distribution Fees” under Item 12, the “Brokerage Practices” section of this Disclosure Brochure.

We require a minimum initial investment of \$100,000.00 to open a managed account; however, this minimum may be waived under certain circumstances.

Protocols for Portfolio Management

The following protocols establish how we handle our portfolio management accounts and what you should expect when it comes to: (i) managing your account; (ii) your bill for investment services; (iii) deposits and withdrawing funds from your account(s); and (iv) other fees charged to your account(s).

Discretion

Unless otherwise negated by you, we will establish discretionary trading authority on all management accounts to execute securities transactions at anytime without your prior consent or advice.

Billing

Your account will be billed monthly in arrears based on the aggregate fair market portfolio value of the assets in your account on the last trading day of the previous month. For the first billing month, if the management account was not opened at the beginning/end of the

⁴ All information provided by and to you will be kept entirely confidential. Such information will be disclosed to third parties only with mutual written consent or as may be permitted by law.



month, the fee will be based upon a pro-rata calculation of the fair market value of your assets managed for the monthly period.

Advisory fees will be taken first from free credit balances or from any money market funds or balances. If such assets are insufficient to satisfy payment of such fees, a portion of the account assets will be liquidated to cover the fees. Such liquidation may affect the relative balances of the account.

Account Set-up Fee

If you are a new client, we may assess a one-time set-up fee not to exceed 1.00% of the fair market value of your Portfolio Management account. This set-up fee covers: (i) the time and expenses in preparation of internal records for portfolio management and data preparation based on your Investment Policy Statement; (ii) the administrative services involved in the transfer of your asset management accounts to our custodian; and, (iii) general telephone consultations and research to finalize the account set-up process. The set-up fee is **non-refundable** should you wish to terminate the Investment Advisory Agreement due to time we expensed to create the management account(s).

The exact amount of the set-up fee you will be charged will be fully disclosed in the Investment Advisory Agreement.

Fee Exclusions

The above fees for all our management services are exclusive of any charges imposed by the custodial firm, such as: (i) any Exchange/SEC fees; (ii) service or account charges, including, postage/handling fees; and/or (iii) transaction fees earned by the custodial firm for securities transactions.

In addition, all fees paid to us for management services are separate from any fees and expenses charged to shareholders of mutual fund shares by the investment company or by the investment advisor managing the mutual fund portfolios. These expenses generally include management fees and various fund expense, such as: 12b-1 fees. Redemption fees, account fees, purchase fees, contingent deferred sales charges, and other sales load charges may occur but are the exception within managed accounts at institutional custodians. A complete explanation of these expenses charged by the mutual funds is contained in each mutual fund's prospectus. You are encouraged to carefully read the fund prospectus.

Termination of Portfolio Management Services

To terminate investment advisory services, either party (you or us) by written notification to the other party, may terminate the Investment Advisory Agreement at any time, provided such written notification is received at least 15 days prior to the date of termination. Such notification should include the date the termination will go into affect along with any final instructions on the account (i.e., liquidate the account, finalize all transactions and/or cease all investment activity).

You will **only** be able to terminate our advisory services on the last/first day of a calendar month. We will perform one final monthly billing prior to releasing your account. Once the termination of investment advisory services has been implemented, neither party has any obligation to the other - we no longer earn management fees or give investment advice and you become responsible for making your own investment decisions.



Portfolio Monitoring

If you want the services of a third-party money manager ("Portfolio Manager") to manage your account, we will recommend Portfolio Managers for you to choose whose investment disciplines most closely resemble your investment objectives, time horizon, and risk tolerance.

We will perform any initial qualifying analysis that may be required by the Portfolio Manager(s) including any professional, administrative and clerical duties prior to opening any accounts and any follow-up thereafter. The Portfolio Manager(s) may have little or no direct contact with you.

Monitoring Services

Once the account has been established, we will continuously evaluate the performance of the Portfolio Manager.

However, we understand your goals and tolerance for risk may change over time; therefore, even though we are not involved in any way with the day to day management of your assets maintained with a Portfolio Manager, we will supervise their portfolio management activities and will make recommendations to you regarding the Portfolio Manager as market factors and your personal goals dictate.

Portfolio Managers Fee Structure

The Portfolio Managers who will be used to manage your account(s) will disclose their fees for management services in their Disclosure Brochures (the Portfolio Manager's ADV Part 2A: Firm Brochure or Part 2A Appendix 1: Wrap Fee Program Brochure), which we will provide you prior to opening an account. The fees that will be charged to your account(s) will include:

1. The Portfolio Manager's management fee (generally not to exceed an annual fee of 0.75%) will be billed separately from our Monitoring Fees;
2. Our monitoring fee (not to exceed 1.00% that the Portfolio Manager will pay us from the total management fee they collect; and,
3. Trading commissions and/or account charges, depending on if the Portfolio Manager is "wrapping" all the fees, which may be imposed by the custodian or broker/dealer used to custody your account(s).

The Portfolio Manager's Disclosure Brochure contains all pertinent disclosures relating to their management services, fee structure for such services, and their termination provisions - **you are encouraged to carefully review these disclosures.**

Investment Consulting

Our investment consulting fee will not exceed \$150.00 per hour to construct an Investment Policy Statement and/or customized "No-Load" mutual fund investment portfolio. Once the investment portfolio has been designed, we will assist you with your initial asset allocation selections and provide limited clerical services (i.e., prepare new account forms with a custodial firm).

We do not provide any on-going portfolio management or monitoring of your account under this arrangement. However you can contact us, if you so choose, to set-up a quarterly review of your account to determine how the account is performing based on your asset allocation guidelines outlined in your Investment Policy Statement. We will review the account at the



agreed upon hourly rate and make any recommendation, if necessary, to rebalance the account.

Billing

Consulting fees will be based on the size, complexity, and nature of your personal and financial situation and the amount of time it will take to analyze your investments, prepare an Investment Policy Statement and design a customized asset allocation mix.

All consulting fees will be completely itemized in a billing statement. For the initial consultation, the fee will be due at the end of the session. Thereafter we will bill you, at the agreed upon hourly rate, should we be contacted by you for future reviews and advice on any re-balancing.

Important Considerations

Our initial consultation with you may take up to four (4) hours to complete. We need this time to conduct an adequate interview to determine your investment needs, goals, and objectives to develop an Investment Policy Statement, if requested.

Therefore, if you were to pay \$600.00 (4 hours @ \$150.00 per hour) for the initial consultation this fee may be a higher fee than if you had us manage your investments based on a percentage of assets under management. For example, if you wanted us to design a tailored Mutual Fund asset allocation mix for your \$55,000.00 investment portfolio, our fee of \$600.00 would only include the initial consultation with no further management, monitoring or follow-up on your account; yet, if you approached us to manage your investments for an annual fee of 1.10% (not including the 12(b)-1 fee earnings) and we waived our minimum account size, the same \$55,000.00 would generate an annual fee of \$605.00, and include continuous investment advice and the monitor of your account to be sure it was meeting your investment needs and objectives.

Therefore, if your investment portfolio is less than \$55,000.00, you may be able to retain equivalent service at lower costs by having us manage your account or approach another investment advisor.

Termination

Our investment consulting services can be terminated at any time.

Financial Planning

How we charge to develop a financial plan depends on the size, complexity, and nature of your personal and financial situation and the amount of time it will take to analyze and summarize the plan and perform the services you desire.

Planning Fees

Our financial planning services are offered on our hourly rate not to exceed \$150.00. Such fee will be fully disclosed up-front in a Financial Planning Agreement ("Agreement"), which will include the cost⁵ to review your financial information and prepare the desired financial planning service. We have the option to: (i) require full payment up-front; or, (ii) require

⁵ Rarely will a fee exceed those costs outlined in the Agreement. However, there can be instances where we did not contract with you to perform a particular task and therefore merit notifying you of the additional cost prior to beginning such services.



one-half the fee be paid at the time the Agreement is signed, with the remaining balance due upon completion of the financial plan⁶.

Annual Retainer Fee

It is important to note that any planning is kinetic (always in motion) and alive. A financial plan is a roadmap that is only as good as how well it reflects your current economic position to then guide you on a clear path to a future financial destination. However you can veer off course, intentionally or unintentionally, as circumstances in your life take you down another path. Our annual financial plan review is designed to systematically address these unexpected diversions and continually keep you on the right road headed to your future financial destination.

Therefore, we strongly suggest that the overall financial plan be reviewed not less than on an annual basis. If you elect an Annual Retainer Agreement, we will notify you of the annual cost to perform the desired work at the beginning of each year. Such retainer fee will be equal to one-half of the coordinated financial planning fee we originally charged and billed on a quarterly basis. As with the initial planning fee, we have the option to waive the Annual Retainer if we are managing your investment portfolio.

Termination

You can terminate the Agreement at any time prior to the presentation of the any financial planning documents. We will be compensated through the date of termination for time spent in design of such financial documents at the hourly rate agreed to in the Agreement. If you have prepaid any fees, such fees will be returned on a pro-rata basis. After the financial plan has been completed and presented to you, termination of the Agreement is no longer an option.

PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT

ITEM 6

We do not charge fees based on a share of capital gains or the capital appreciation of the assets held in your accounts.

TYPES OF CLIENTS

ITEM 7

The types of clients we offer advisory services to are described above under “Who We Are” in the Item 4, the “Advisory Business” section. Our minimum account size for portfolio management is disclosed above under “Portfolio Management” in Item 5 above in the, “Fees & Compensation” section of this Brochure.

⁶ The recommendations made in a financial plan are generally completed within 30 to 45 days from you signing the Agreement. However, implementing the plan using outside professionals (i.e., attorneys, CPAs, etc...) may require additional time that is out of our control. Therefore when we refer to the completion of the financial plan, we are referring to us (you and the Company) finalizing your financial benchmarks/objectives before approaching any outside professional.



METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS

ITEM 8

Our advisory business services are designed to build long-term wealth while maintaining risk tolerance levels acceptable to you. We combine your financial needs and investment objectives, time horizon, and risk tolerance, as outlined in your Investment Policy Statement, to yield an effective investment strategy. Your portfolio is then tailored to these unique investment parameters using a mix of investment company products (mutual funds).

Methods of Analysis

In analyzing mutual funds we will use a combination of analysis techniques to guide us in our management decisions.

Fundamental Analysis

Fundamental analysis considers: economic conditions, earnings, cash flow, book value projections, industry outlook, politics (as it relates to investments), historical data, price-earnings ratios, dividends, general level of interest rates, company management, debt ratios and tax benefits.

Technical Analysis

Technical analysis utilizes current and historical pricing information to help us identify trends in the broader domestic and foreign equity and fixed income markets, and in the underlying assets themselves. This may involve the use of various technical indicators, such as moving averages and trend-lines, among others.

Cyclical Analysis

Market cycles provide historic tried and true timing mechanisms to indicate turning points in future market prices. By tracking historic data through charts and graphs we can improve entry and exit timing strategies. Coupling cyclical analysis with technical analysis helps to ensure the most favorable buy/sell signal.

Fundamental analysis provides us with a broad long-term view of a security that begins with determining a company's value and the strength of its financials while technical analysis is short-term focusing on the statistics generated by market activity. Cyclical analysis provides us with historical data on market trends to focus our technical analysis for ideal entry/exit points.

Investment Strategy

We are not bound to a specific investment strategy or ideology for the management of your investment portfolio except for how such strategy might affect the risk tolerance levels we pre-defined for you during the getting-to-know-you process as well as in your Investment Policy Statement. However, our investment strategies generally incorporate these methodologies:



Modern Portfolio Theory

Modern Portfolio Theory ("MPT")⁷ is the analysis of a portfolio of stocks as opposed to selecting stocks based on their unique investment opportunity. The objectives of MPT is to determine your preferred level of risk then construct a portfolio that maximizes your expected return for that given level of risk. Our investment methodology follows five (5) basic premises, each of which is derived from MPT.

1. You, as with all clients, are inherently risk-averse.
2. The markets are basically efficient.
3. The focus of attention is shifted away from individual securities analysis to consideration of portfolios as a whole, predicated on explicit risk-reward parameters.
4. For any level of risk that you are willing to accept, there is a rate of return that should be targeted.
5. Portfolio diversification is not so much a function of how many issues are involved, but more a function of the relationships and proportions of each asset to its correlating asset.

Asset Allocation

Asset Allocation is a broad term used to define the process of selecting a mix of asset classes and the efficient allocation of capital to those assets by matching rates of return to a specified and quantifiable tolerance for risk. From this there are more narrow and aggressive Asset Allocation derivatives that we may use.

Dollar-Cost Averaging

Dollar-cost averaging is the technique of buying a fixed dollar amount of securities at regularly scheduled intervals, regardless of the price per share. This will gradually, over time, decrease the average share price of the security. Dollar-cost averaging lessens the risk of investing a large amount in a single investment at the wrong time.

DISCIPLINARY INFORMATION

ITEM 9

We have no legal or disciplinary events to report at this time that are material to your evaluation of our advisory business.

⁷ Modern Portfolio Theory was developed and introduced by Harry M. Markowitz in his paper "Portfolio Selection" published in 1952 by the *Journal of Finance*.



OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS

ITEM 10

Brokerage and Insurance Company Activities

Lincoln Financial Securities Corporation

All of our supervised persons are licensed registered representatives of Lincoln Financial Securities Corporation (Lincoln Financial), a licensed broker/dealer (member FINRA/SIPC), allowing them to sell investment company and variable insurance products.

Notwithstanding the fact that our supervised persons are licensed registered representatives of Lincoln Financial, we are solely responsible for all investment management services rendered. The investment management services which we provide are separate and independent of Lincoln Financial.

Independent Insurance Agents

All of our supervised persons are licensed as resident life, health, and variable annuity insurance agents by the State of Georgia and may be licensed as non-resident agents in other states. Each agent is licensed to sell insurance-related products and earn commissions from the sale of these products.

More information about our supervised persons' and their affiliations can be found in their individual "Brochure Supplements".

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS & PERSONAL TRADING

ITEM 11

Code of Ethics

As a fiduciary, the Company has an affirmative duty to render continuous, unbiased investment advice, and at all times act in your best interest. To maintain this ethical responsibility, we have adopted a Code of Ethics that establishes the fundamental principles of conduct and professionalism expected by all personnel in discharging their duties. This Code is a value-laden guide committing such persons to uphold the highest ethical standards, rooted in the most elementary maxim. Our Code of Ethics is designed to deter inappropriate behavior and heighten awareness as to what is right, fair, just and good by promoting:

- ❖ Honest and ethical conduct.
- ❖ Full, fair and accurate disclosure.
- ❖ Compliance with applicable rules and regulations.
- ❖ Reporting of any violation of the Code.
- ❖ Accountability.

To help you understand our ethical culture and standards, how we control sensitive information and what steps have been taken to prevent personnel from abusing their inside position, a copy of our Code of Ethics is available for review upon request.



Securities Transactions for Compensation

As previously mentioned our supervised persons are licensed registered representatives of Lincoln Financial. As registered representatives, they can execute, as a broker, securities transactions for you and earn sales commissions from such transactions. This can be considered a conflict of interest when giving investment advice for a fee on securities product that can be sold for a commission.

Client Transactions

We have a fiduciary duty to ensure that your welfare is not subordinated to any interests of ours or any of our personnel. The following disclosures are internal guidelines we have adopted to assist us in protecting all of our clientele.

Participation or Interest

It is against our policies for any owners, officers, directors and employees to invest with you or with a group of clients, or to advise you or a group of clients to invest in a private business interest or other non-marketable investment unless prior approval has been granted by Mr. Gregory S. Phelps, and such investment is not in violation of any SEC and/or State rules and regulations.

Class Action Policy

The Company, as a general policy, does not elect to participate in class action lawsuits on your behalf. Rather, such decisions shall remain with you or with an entity you designate. We may assist you in determining whether you should pursue a particular class action lawsuit by assisting with the development of an applicable cost-benefit analysis, for example. However, the final determination of whether to participate, and the completion and tracking of any such related documentation, shall generally rest with you.

Insider Trading

The Company is in compliance with the Insider Trading and Securities Fraud Enforcement Act of 1988. We do not share any non-public information with anyone who does not need to know and has set-up internal controls to guard your personal information.

BROKERAGE PRACTICES

ITEM 12

Custodial Services

The Company has custodial arrangements with Pershing, LLC ("Pershing"), a licensed broker-dealer (member FINRA/SIPC), through their affiliated division, Pershing Advisor Solutions, LLC. All managed accounts will be maintained with Pershing

We have selected Pershing as the custodian of choice based on their competitive transaction charges, our familiarity with their trading platforms, and on-line services and desktop software for account administration and operational support, including electronic trading, account forms and applications, market data, trading authorization, accounting and reporting, and other relevant administration and support services for us to assist with the management of your account. These services offered from Pershing generally are available to independent



investment advisors at no cost provided the investment advisor maintains a minimum amount of client assets under management in accounts at Pershing.

Services offered to us that have been discounted or waived are defined as “soft dollar” services. However, access to Pershing’s online services, dedicated trading desk and service group, real-time order matching systems and electronic interface, desktop software, and any research services provided or arranged by Pershing will be used to service all client accounts and will not be limited to only those particular accounts that may have generated commissions/transaction fees.

We are not a subsidiary of, or an affiliated entity of Pershing. We have sole responsibility for investment advice rendered, and our advisory services are provided separately and independently from Pershing.

12(b)-1 Distribution Fees

In addition to our management fee, some of the open-end investment company funds that we purchase for clients assess a 12(b)-1 distribution or trailer fee of which we can collect up to an additional 0.50% annually. This could theoretically increase the overall fees that we can earn to as high as 1.60%. Keep in mind, these 12(b)-1 fees are built-in costs paid by the Investment Company regardless of whether we collect a portion or not. Such information will be disclosed in the mutual fund prospectus.

Accepting these 12(b)-1 fees creates an incentive for us to select mutual funds for your managed account based on which Investment Company would pay us the highest 12(b)-1 fee and not for what is in your best interest. We recognize that by accepting these fees, we are creating a situation of divided loyalty and our fiduciary duty to render continuous, unbiased investment advice may be called into question. However, regardless of whether the mutual fund is paying a 12(b)-1 fee or not, our investment decision is to select top quintile performing funds in their asset class after all fund fees and expenses. We **do not** base any of our investment decisions on what mutual fund is paying a 12(b)-1 fee.

REVIEW OF ACCOUNTS

ITEM 13

Portfolio Management Reviews

Each account is reviewed on an ongoing basis by the supervised person over your account to ensure that your needs and objectives are being met. All accounts are reviewed in accordance with your stated investment objectives and guidelines as outlined in your Investment Policy Statement. Cash needs will be adjusted as necessary. In addition, you will receive at least quarterly statements from Pershing where your account(s) are custodied. Each statement will summarize the specific investments currently held, the value of your portfolio and account transactions.

Portfolio Monitored Accounts

Should your account be managed by a third-party money manager (“Portfolio Manager”), supervised person over your account will continuously evaluate the Portfolio Managers performance. We understand your goals and tolerance for risk may change over time; therefore, even though we are not involved in any way with the day to day management of your assets maintained with a Portfolio Manager(s), the supervised person over your account



will supervise your portfolio and will make recommendations to you regarding the Portfolio Manager(s) as market factors and your personal goals dictate.

Financial Planning Reviews

The financial planner who has/is designing your financial plan will work closely with you to be sure the action points identified in the financial plan have been or are being properly executed. Once the action points have been completed, the financial plan should be reviewed at least annually. Material changes in your lifestyle choices, personal circumstances, the general economy, or tax law changes can trigger more frequent reviews. However, it is your responsibility to communicate these changes to us so that the appropriate adjustments can be made.

CLIENT REFERRALS & OTHER COMPENSATION

ITEM 14

Referral Compensation

We may directly compensate persons/firms for client referrals, provided that those persons are qualified and have entered a solicitation agreement with us. Under such arrangements, if you were referred to us by a solicitor, the solicitor will provide complete information on our relationship and the compensation that solicitor will receive should you choose to open an account. In no case will the fee that you pay be higher than it would be if you had dealt directly with us.

CUSTODY

ITEM 15

We do not take possession of or maintain custody of your funds or securities, but will simply monitor the holdings within in your portfolio and trade your account based on stated investment objectives and guidelines. Possession and custody of your funds and/or securities shall be maintained with Fidelity Brokerage Services, LLC as indicated above under Item 12, "Brokerage Practices". Fidelity will send, at least quarterly, brokerage statements summarizing the specific investments currently held in your account, the value of your portfolio, and account transactions. You are encouraged to verify the transaction activities disclosed to you in your brokerage statement.

INVESTMENT DISCRETION

ITEM 16

Securities and Amount Bought or Sold

We execute an Investment Advisory Agreement with you, which set forth the authority to buy and sell securities in whatever amounts are determined to be appropriate for your account and whether such transactions are with, or without, your prior approval.



VOTING CLIENT SECURITIES

ITEM 17

We are hereby expressly precluded from voting proxies. You understand and agree that you retain the right to vote all proxies, which are solicited for securities held in your managed accounts. Any proxy solicitations received by the custodian will be immediately forwarded to you for your evaluation and decision.

FINANCIAL INFORMATION

ITEM 18

We are not required to include financial information in our Disclosure Brochure since we will not take custody of client funds or securities or bill client accounts six (6) months or more in advance for more than \$1,200.

END OF DISCLOSURE BROCHURE

FORM ADV: PART 2B

BROCHURE SUPPLEMENT



Investing In You.

Griffith & Werner, Inc.

107 Mountain Brook Drive
Suite 108
Canton, Georgia 30115

Tel: 678.901.4167
Fax: 678.493.7854

SUPERVISION

Gregory S. Phelps
Chief Compliance Officer

Phone: 678.901.4167
e-mail: greg@griffith-werner.com

Mr. Phelps oversees the supervision of all our supervised persons and manages our compliance related issues.

Duties include reviewing investment activities to ensure all supervised persons are acting in our clients best interests in discharging their duties. Any activities that appear to be out of the ordinary are checked.

BROCHURE SUPPLEMENT
DATED

1

JANUARY
2012

This Brochure Supplement provides information about Gregory S. Phelps that is an accompaniment to the Disclosure Brochure for our firm, Griffith & Werner, Inc. You should have received both of these together as a complete disclosure packet. If you did not receive our Disclosure Brochure or if you should have questions about this Brochure Supplement for Mr. Phelps, you are welcome to contact us - our contact information is listed to the left.

Additional information about Griffith & Werner, Inc. and Gregory S. Phelps are also available on the SEC's website at www.adviserinfo.sec.gov.

Gregory S. Phelps

CRD#: 4845819

Year of Birth: 1977

EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Education

2000 - Clearwater Christian College: Bachelor of Science in Psychology

Licenses

FINRA Exams: Series 6 - Investment Company and Variable Contracts Products Representative
Series 26 - Investment Company and Variable Contracts Products Principal
Series 63 - Uniform Securities Agent State Law Examination
Series 65 - Uniform Investment Advisor Law Examination

Insurance: Life, Health & Variable Annuity Insurance

Business Background

06/2004 - PresentLincoln Financial Securities Corporation
Position: Registered Representative

06/2004 - PresentGriffith & Werner, Inc.
Position: Director of Research & Chief Compliance Officer

08/2003 - 05/2004Highlands Christian School
Position: Educator

DISCIPLINARY INFORMATION

There are no legal or disciplinary events to report at this time.

OTHER BUSINESS ACTIVITIES

Mr. Gregory S. Phelps is a registered representative of Lincoln Financial Securities Corporation and licensed independent insurance agent. He will receive the normal commissions associated with securities transactions and insurance sales. This creates an incentive for Mr. Phelps to recommend those products in which he will receive a commission. Consequently, the objectivity of the advice rendered could be subjective and create a disadvantage.

To ensure you understand the choices and risks you have in receiving investment advice from Mr. Phelps, the following disclosures are provided to assist you with your decisions:

- Mr. Phelps will not receive commissions associated with any managed accounts maintained with Lincoln Financial. However, there are instances where you could request separate brokerage services that are unrelated to your managed accounts. In such cases, Mr. Phelps will receive commissions associated with these separate transactions.
- As disclosed in the Disclosure Brochure under "Brokerage Practices", Mr. Phelps can accept 12(b)-1 trail fees from the sale of open-end mutual funds. Under such arrangement, Griffith & Werner will maintain a record should you want to review how we concluded our selection of mutual funds that payout a 12(b)-1 fee trail.
- You are under no obligation to accept Mr. Phelps's recommendation to purchase any insurance products. You are free to choose any independent insurance agent and insurance company to purchase your insurance. Regardless of the insurance agent from whom you select to purchase your insurance, he/she will earn the normal commission from the sale.

Notwithstanding such potential conflicts of interest, Griffith & Werner strives to act in your best interest and ensure disclosure is properly made to you in compliance with the Investment Advisor Act of 1940, Rule 275.206.

ADDITIONAL COMPENSATION

Mr. Phelps does not receive any economic benefit, sales awards, prizes or bonuses that are based on the number or amount of sales, client referrals, or from opening new accounts.

FORM ADV: PART 2B

BROCHURE SUPPLEMENT



Investing In You.

Griffith & Werner, Inc.

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Tel: 678.901.4167
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SUPERVISION

Gregory S. Phelps
Chief Compliance Officer

Phone: 678.901.4167
e-mail: greg@griffith-werner.com

Mr. Phelps oversees the supervision of all our supervised persons and manages our compliance related issues. Duties include reviewing investment activities to ensure all supervised persons are acting in our clients best interests in discharging their duties. Any activities that appear to be out of the ordinary are checked.

BROCHURE SUPPLEMENT
DATED

1

JANUARY
2012

This Brochure Supplement provides information about Darryl C. Werner that is an accompaniment to the Disclosure Brochure for our firm, Griffith & Werner, Inc. You should have received both of these together as a complete disclosure packet. If you did not receive our Disclosure Brochure or if you should have questions about this Brochure Supplement for Mr. Werner, you are welcome to contact us - our contact information is listed to the left.

Additional information about Griffith & Werner, Inc. and Darryl C. Werner are also available on the SEC's website at www.adviserinfo.sec.gov.

Darryl C. Werner

CRD#: 2124183

Year of Birth: 1947

EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Education

1969 - Pennsylvania State University: Bachelor of Arts in Psychology

Licenses

FINRA Exams: Series 6 - Investment Company and Variable Contracts Products Representative
Series 26 - Investment Company and Variable Contracts Products Principal
Series 63 - Uniform Securities Agent State Law Examination

Insurance: Life, Health & Variable Annuity Insurance

Business Background

01/1991 - PresentLincoln Financial Securities Corporation
Position: Principal/Registered Representative

03/1983 - PresentGriffith & Werner, Inc.
Position: CEO & President

DISCIPLINARY INFORMATION

There are no legal or disciplinary events to report at this time.

OTHER BUSINESS ACTIVITIES

Mr. Darryl C. Werner is a registered representative of Lincoln Financial Securities Corporation and licensed independent insurance agent. He will receive the normal commissions associated with securities transactions and insurance sales. This creates an incentive for Mr. Werner to recommend those products in which he will receive a commission. Consequently, the objectivity of the advice rendered could be subjective and create a disadvantage.

To ensure you understand the choices and risks you have in receiving investment advice from Mr. Werner, the following disclosures are provided to assist you with your decisions:

- Mr. Werner will **not** receive commissions associated with any managed accounts maintained with Lincoln Financial. However, there are instances where you could request separate brokerage services that are unrelated to your managed accounts. In such cases, Mr. Werner will receive commissions associated with these separate transactions.
- As disclosed in the Disclosure Brochure under "Brokerage Practices", Mr. Werner can accept 12(b)-1 trail fees from the sale of open-end mutual funds. Under such arrangement, Griffith & Werner will maintain a record should you want to review how we concluded our selection of mutual funds that payout a 12(b)-1 fee trail.
- You are under no obligation to accept Mr. Werner's recommendation to purchase any insurance products. You are free to choose any independent insurance agent and insurance company to purchase your insurance. Regardless of the insurance agent from whom you select to purchase your insurance, he/she will earn the normal commission from the sale.

Notwithstanding such potential conflicts of interest, Griffith & Werner strives to act in your best interest and ensure disclosure is properly made to you in compliance with the Investment Advisor Act of 1940, Rule 275.206.

ADDITIONAL COMPENSATION

Mr. Werner does not receive any economic benefit, sales awards, prizes or bonuses that are based on the number or amount of sales, client referrals, or from opening new accounts.