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FORM ADV PART 2A

BROCHURE

This brochure provides information about the qualifications and business practices of Wallington Asset Management. If you have any questions about the contents of this brochure, please contact us at 317-575-8670. 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 Wallington Asset Management is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Wallington Asset Management is 143360.

Wallington Asset Management is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2 Material Changes

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

Generally, WALLINGTON ASSET MANAGEMENT, LLC will notify clients of material changes on an annual basis. However, where we determine that an interim notification is either meaningful or required, we will notify our clients promptly. In either case, we will notify our clients in a separate document.

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Item 4 Advisory Business

Description of Services and Fees

Wallington Asset Management is a registered investment adviser based in Indianapolis, Indiana. We are organized as a limited liability company under the laws of the State of Indiana. We have been providing investment advisory services since 2007 as a limited liability company. Wallington was founded in 1988 and has been providing investment advisory services continuously since that time. Terence P. Weiss is our principal owner. Currently, we offer the following investment advisory services, which are personalized to each individual client:

- **Portfolio Management Services**
- **Advisory Consulting Services**
- **Pension Consulting Services**

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

Portfolio Management Services

We offer discretionary portfolio management services. Our investment advice is tailored to meet our clients' needs and investment objectives. If you retain our firm for portfolio management services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information (the "suitability information") at the beginning of our advisory relationship. We will use the suitability information we gather to develop a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf. Once we construct an investment portfolio for you, we will monitor your portfolio's investments and make adjustments as we deem appropriate.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow our firm to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm, a power of attorney, or trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing.

Portfolio management services are offered through our Asset Management, Capital Advisory, and Wrap Fee programs as described below.

Asset Management Program

- A. Investment Policy Formulation: Management of your portfolio requires a well-defined investment policy which specifies long-term financial goals and investment guidelines. During the investment policy formulation process, we will determine asset allocation parameters and define a benchmark portfolio for you.

B. Asset Allocation: Asset allocation adjustments may be made within pre-defined limits based upon the relative risk-return profile determined for you. These decisions are made solely for risk management purposes rather than performance enhancement through the employment of market timing strategies.

C. Specific Investment Decisions:

- *Common Stock* - We employ a blended approach to construct and manage portfolios of common stocks. This approach is used in an effort to reduce the risk of significant underperformance in any given portfolio over an extended period of time. With regard to specific security selection, we use a multi-factor framework for making decisions which encompasses several models to assess the risk-return profile of the stock.
- *Fixed Income* - We establish a target duration to help manage sensitivity to changes in interest rates. The target duration seeks to meet your investment objectives based on your risk tolerance, liquidity needs, tax considerations and time horizon. We primarily select intermediate-term bond maturities which we believe allows us to capture the majority of the returns offered in longer-dated maturities while incurring proportionately less interest rate risk. Macroeconomics, yield curve and fundamental analysis are utilized to formulate fixed income strategies which might include composite duration adjustments, sector swaps or individual security swaps.

D. Fees: Our fee for our Asset Management Program is based on a percentage of your assets we manage and is set forth in the following fee schedules:

Equity and Balanced Account Fee Schedule*

<u>Portfolio Size</u>	<u>Annual Fee</u>
On the first \$1,000,000	1.00%
On the next \$4,000,000	0.75%
Over \$5,000,000	0.50%

100% Fixed Income Account Fee Schedule* *

<u>Portfolio Size</u>	<u>Annual Fee</u>
On the first \$10,000,000	0.50%
Over \$10,000,000	0.30%

**Generally, a minimum account size of \$1,000,000 is required to participate in our Asset Management Program. Accounts below this minimum may be subject to a higher annual percentage rate not to exceed 1.50% of assets under management. The minimum account size may be waived or lowered at our firm's sole discretion .*

***Generally, we have a minimum fee of \$15,000 per year, which may result in you paying a higher annual percentage rate than shown above for accounts under \$3,000,000. The minimum fee may be waived or lowered at our firm's sole discretion.*

Capital Advisory Program

A. Investment Policy Formulation: Management of your portfolio requires a well-defined investment policy which specifies long-term financial goals and investment guidelines. During the investment policy formulation process, we will determine asset allocation parameters and define a benchmark portfolio for you.

- B. Asset Allocation: Asset allocation adjustments may be made within pre-defined limits based upon the relative risk-return profile determined for you. These decisions are made solely for risk management purposes rather than performance enhancement through the employment of market timing strategies. Incertain instances (i.e. 401(k) plans), you are responsible for determining the asset allocation adjustments that are to be made. We may provide educational services to you as a plan participant regarding financial planning and investment fundamentals in order to assist you in defining your individual financial goals, risk tolerance, and time horizon.
- C. Specific Investment Decisions: Our analysis, selection and monitoring of mutual funds utilized in each asset allocation category will include the following factors: effective diversification, historic volatility, present and future expected risk exposures, past performance, quality of fund management, portfolio manager tenure and fees. Based on account size we may use a diversified approach across sub-asset classes in an effort to enhance performance and reduce under-performance of sub-asset classes. Market capitalizations and sector exposures may also be adjusted. Our firm's main objectives are to preserve capital and to outperform the predefined benchmarks over the long-term on a risk-adjusted basis.
- D. Fees: Our fee for our Capital Advisory Program is based on a percentage of your assets we manage and is set forth in the following fee schedule:

Capital Advisory Program Fee Schedule

<u>Portfolio Size</u>	<u>Annual Fee</u>
On the first \$1,000,000	0.90%
On the next \$4,000,000	0.45%
Over \$5,000,000	0.30%

Wrap Fee Program

Our firm is the sponsor of the Wallington Asset Management Wrap Fee Program, where you pay a single fee which covers our firm's management fees, certain transaction costs, and custodial and administrative cost (referred to as "wrap fee" arrangements). Fees for this service are disclosed in the fee schedule below. The overall cost you will incur if you participate in our wrap fee program may be higher or lower than you might incur by separately purchasing the types of securities available in the program.

Transactions for your account must be executed with Schwab Institutional, a division of Charles Schwab & Co. ("Schwab"), an unaffiliated securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. To compare the cost of the wrap fee program with non-wrap fee portfolio management services, you should consider the frequency of trading activity associated with our investment strategies and the brokerage commissions charged by Schwab or other broker-dealers, and the advisory fees charged by investment advisers.

Our fee for our Wallington Asset Management Wrap Fee Program is based on a percentage of your assets we manage and is set forth in the following fee schedule:

Wrap Fee Program Fee Schedule***

<u>Portfolio Size</u>	<u>Annual Fee</u>
On the first \$1,000,000	1.25%
On the next \$4,000,000	1.00%

Over \$5,000,000	0.60%
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****Generally, a minimum account size of \$1,000,000 is required to participate in our Wrap Fee Program. Accounts below this minimum may be subject to a higher annual fee not to exceed 1.75% of assets under management. The minimum account size may be waived or lowered at our firm's sole discretion.*

If you participate in our Wallington Asset Management Wrap Fee Program, you will receive a separate Wrap Fee Brochure from our firm.

Information Regarding All Portfolio Management Programs

Our annual portfolio management fee is billed and payable quarterly in advance based on the value of your account on the last day of the previous quarter. If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances. Under no circumstance will we require prepayment of a fee more than six months in advance and in excess of \$500.

On occasion, our clients may request services outside the realm of our portfolio management services which may be billed as consultation fees according to our fee schedule listed under "Advisory Consulting Services" further down in this section of our brochure.

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

We will send you an invoice for the payment of our advisory fee, or we will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

Either you or our firm may terminate the portfolio management agreement within five days from the date of acceptance without penalty to you. After the five-day period, either you or our firm may terminate the portfolio management agreement upon 10-days' written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

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

Investment Consultation Services

We offer consulting services which primarily involves advising clients on specific financial-related topics. The topics we address may include, but are not limited to, research and analysis on identified investment alternatives, reviews of investment portfolios, estate valuations, cost/basis determinations, and an independent evaluation of other asset managers. We charge an hourly fee ranging between \$75 and \$250 per hour for consulting services. The fees are negotiable depending

on the scope and complexity of services to be rendered. Our consulting fee is payable upon completion of the agreed upon consulting services or on a percentage of completion basis for projects that require a significant time commitment. We will provide consultation in regard to the specific financial area agreed upon to be reviewed and/or analyzed only. Under this arrangement, we may not provide a written financial plan to you.

Pension Consulting Services

We offer pension consulting services to employee benefit plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. In general, these services may include an existing plan review and analysis, asset allocation advice, money management services, communication and education services to plan participants, investment performance monitoring, and/or ongoing consulting. Our firm may have agreements with third party administrators ("TPA") to provide our pension consulting services as part of the TPA's agreement with a plan. In these instances, the TPA may pay us a portion of the fee charged to the plan for their services. In other instances, we may be introduced to a plan through a TPA and will provide services directly to the plan.

We may hold educational seminars for the plan employees and provide information on the plan specifics and allocation choices. They may also meet with individual plan participants and offer personalized information based on their individual objectives. The provisions of these services will normally be based at the discretion of the plan sponsor.

Fees for pension consulting services will be based on the same fee schedule as our Asset Management Program described previously in this brochure. Our annual pension consulting fee is billed and payable quarterly in advance. Our pension consulting fee is negotiable, depending on the scope and complexity of the qualified plan and the requested services. Under no circumstance will we require prepayment of a fee more than six months in advance and in excess of \$500.

Accounts are regulated under the Employee Retirement Income Securities Act ("ERISA"). We will provide consulting services to the plan fiduciaries as described above. Typically, the named plan fiduciary must make the ultimate decision as to retaining the services of such investment advisers or investment companies as we recommend. The plan fiduciary is free to seek independent advice about the appropriateness of any recommended services for the plan.

Either party to the pension consulting agreement may terminate the agreement within five days from the date of acceptance without penalty to you. After the five day period, either party may terminate the pension consulting agreement upon written notice to the other party. The pension consulting fees will be prorated for the quarter in which the termination notice is given and any unearned fees will be refunded to you.

Types of Investments

We offer advice on equity securities, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities, U.S. Government securities, options contracts on securities and commodities, futures contracts on securities and commodities, and interest in partnerships investing in real estate, equipment leasing, oil and gas interests, and/or private equity.

Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship. You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

If you participate in our wrap fee program, we will provide you with a separate Wrap Fee Program Brochure explaining the program and costs associated with the program.

Assets Under Management

As of December 31, 2011, we manage \$387,367,000 in client assets on a discretionary basis, and \$243,000 in client assets on a non-discretionary basis, non-continuous basis.

Item 5 Fees and Compensation

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

Additional Fees and Expenses

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the "Brokerage Practices" section of this brochure.

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

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

Item 7 Types of Clients

We offer investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

In general, we require a minimum of \$1,000,000 to open and maintain an advisory account under our Asset Management Program or Wrap Fee Program. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management. We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

For more information on account minimums and fees for the different programs we offer, please refer to the "Advisory Section" of this brochure.

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

Our Methods of Analysis and Investment Strategies

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

- Charting Analysis - involves the gathering and processing of price and volume information for a particular security and financial indices. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to assess the probability of future price movements based on price patterns and trends.
- Technical Analysis - involves studying past price patterns and trends in the financial markets to assess the probability of the direction of both the overall market and specific stocks.
- Fundamental Analysis - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.
- Cyclical Analysis - involves the gathering and analyzing of economic information to assess current and expected future economic conditions and how those conditions may impact a particular asset class, sector or specific security.
- Long Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- Short Term Purchases - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

We manage your assets based on the portfolio management program selected. For more details, please refer to the "Advisory Business" section of this brochure. Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

The risk of market timing based on technical and charting analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day to day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy. The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance. The risk of cyclical analysis is that economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

Long term purchases may also be affected by unforeseen long term changes in the company in which you are invested or in the overall market. Short term trading generally involves a greater degree of risk than long term trading due to market volatility over a short period of time.

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

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

Risk of Loss

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

Recommendation of Particular Types of Securities

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

Item 9 Disciplinary Information

Neither our firm nor any of our Associated Persons has any reportable disciplinary information.

Item 10 Other Financial Industry Activities and Affiliations

We have not provided information on other financial industry activities and affiliations because we are not affiliated, through control or ownership, with any of the types of entities listed below.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
3. other investment adviser or financial planner
4. futures commission merchant, commodity pool operator, or commodity trading advisor
5. banking or thrift institution
6. accountant or accounting firm
7. lawyer or law firm
8. insurance company or agency
9. pension consultant
10. real estate broker or dealer

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

Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm. Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

Participation or Interest in Client Transactions

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

Personal Trading Practices

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. It is our policy that neither our Associated Persons nor we shall have priority over your account in the purchase or sale of securities.

Item 12 Brokerage Practices

Brokerage Recommendation

We recommend the brokerage and custodial services of the institutional division of Charles Schwab & Co., Inc. ("Schwab"), an unaffiliated securities broker-dealer, member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC).

Schwab provides our firm with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. Such services are not otherwise contingent upon our firm committing to Schwab any specific amount of business (either in custody or trading). Schwab services may include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors or would require significantly higher minimum initial investments.

For our client accounts maintained in its custody, Schwab generally does not charge separately for custody, but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through, or that settle into, Schwab accounts.

We believe that Schwab provides quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by Schwab, including the value of research provided, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our

firm. In recognition of the value of research services and additional brokerage products and services Schwab provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

Research and Additional Benefits

Schwab also makes available to our firm other products and services that benefit our firm but may not benefit our client accounts. These benefits are not part of a "soft dollar" arrangement. Some of these other products and services assist us in managing and administering our client accounts. These products and services include software and other technology that: provide access to our client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information, and other market data; facilitate payment of our fees from client accounts and assistance with back-office functions, recordkeeping, and client reporting. Generally, many of these services may be used to service all or a substantial number of our client accounts, including accounts not maintained at Schwab.

Schwab also makes available to our firm other services intended to help us manage and further develop our business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services rendered to us by independent third parties. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services to our firm.

As a fiduciary, our firm endeavors to act in the best interests of our clients. However, our recommendation that our clients maintain their assets in accounts at Schwab may be based in part on benefits provided to our firm or by the availability of some of the foregoing products and services and not solely on the nature, cost, or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

Brokerage for Client Referrals

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

Directed Brokerage

We routinely recommend that you direct our firm to execute transactions through Schwab. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Wrap fee program participants are required to use Schwab for brokerage transactions.

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

Block Trades

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

discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

We do not combine multiple orders for shares of the same mutual funds purchased for advisory accounts because mutual funds do not trade in blocks.

Item 13 Review of Accounts

Terrence Weiss, Managing Member/President and Jeffrey Dowden, Executive Vice President/Portfolio Manager, will review individual security positions on a daily basis. The equities sector will be managed based upon internally driven fundamentals and valuation-oriented models with disciplined objectives. When the fundamentals and/or valuations are determined to have changed, appropriate responses will be made. The fixed income sector will also be closely monitored with factors such as, but not limited to, perceived changes in the Federal Reserve policy and changing yield curves providing the major impetus for any changes in a portfolio. Approximately once per week, each client's portfolio will be reviewed (where appropriate) to ensure the proper percentage allocation of assets is maintained. Account reviews are performed as a function of the Wallington Asset Management portfolio management process. Reviewing consists of, but is not limited to; analysis of allocations across asset classes, sectors and industry groups, portfolio and security performance analysis and maintenance of the client's investment objectives.

Quarterly, or more frequently upon request, we provide reports to you that include the value of your portfolio and the specific investments currently held. In addition, you will receive trade confirmations, monthly or quarterly statements, and year-end tax statements from your account custodian(s).

Item 14 Client Referrals and Other Compensation

We do not receive any compensation from any third party in connection with providing investment advice to you; however, please refer to the "Brokerage Practices" section above for disclosures on research and other benefits we may receive resulting from our relationship with Schwab.

We directly compensate non-employee (outside) individuals, and/or entities (Solicitors) for client referrals. In order to receive a cash referral fee from our firm, Solicitors must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a Solicitor, you should have received a copy of this brochure along with the Solicitor's disclosure statement at the time of the referral. If you become a client, the Solicitor that referred you to our firm will receive a percentage of the advisory fee you pay our firm for as long as you are a client with our firm, or until such time as our agreement with the Solicitor expires. You will not pay additional fees because of this referral arrangement. Referral fees paid to a Solicitor are contingent upon your entering into an advisory agreement with our firm. Therefore, a Solicitor has a financial incentive to recommend our firm to you for advisory services. This could create a conflict of interest between you and the Solicitor; however, you are not obligated to retain our firm for advisory services.

Solicitors that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements. We recommend that you request Solicitors to disclose to you whether multiple referral relationships exist and whether comparable services may be available from other advisers for lower fees and/or where the Solicitor's compensation is less favorable.

Item 15 Custody

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

If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact us directly at the telephone number on the cover page of this brochure.

Item 16 Investment Discretion

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

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

Item 17 Voting Client Securities

Proxy votes generally will be cast in favor of proposals that maintain or strengthen the shared interests of shareholders and management, increase shareholder value, maintain or increase shareholder influence over the issuer's board of directors and management, and maintain or increase the rights of shareholders. Unless we receive specific instructions from you, we will not base votes on social considerations.

Except in the case of a conflict of interest as described below, we do not accept direction from you on voting a particular proxy. Conflicts of interest between you and our firm, or a principal of our firm, regarding certain proxy issues could arise. If we determine that a material conflict of interest exists, we will take the necessary steps to resolve the conflict before voting the proxies. For example, we may disclose the existence and nature of the conflict to you, and seek direction from you as to how to vote on a particular issue; we may abstain from voting, particularly if there are conflicting interests for you (for example, where your account(s) hold different securities in a competitive merger situation); or, we will take other necessary steps designed to ensure that a decision to vote is in your best interest and was not the product of the conflict.

Our firm uses the services of Broadridge Financial Solutions ("Broadridge") to assist in the voting of our client proxies according to our proxy voting policy. Broadridge will receive ballots from the various custodians, tabulate the ballots, and provide electronic voting and client reporting.

We keep certain records required by applicable law in connection with our proxy voting activities. You may obtain information on how we voted proxies and/or obtain a full copy of our proxy voting policies and procedures by making a written or oral request to our firm.

Item 18 Financial Information

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

- require the prepayment of more than \$1,200 in fees and six or more months in advance, or
- take custody of client funds or securities, or
- have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.

Item 20 Additional Information

Your Privacy

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

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

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

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

Trade Errors

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

Class Action Lawsuits

Our firm uses the services of RiskMetrics Group to assist in the filing and recovery of future class action settlement claims on your behalf. This service should require little, if any, involvement from you. All necessary information to participate in a class action settlement will be gathered and filed directly by RiskMetrics. You may continue to receive class action notices directly; however, this does not always indicate that you are eligible to receive a benefit under the proposed class action.