

Part 2A of Form ADV: Form Brochure

Candor Wealth Advisors, LLC

129 Summit Avenue

Summit, NJ 07901

908-277-1300

www.candorwealth.com

March 31, 2012

This Brochure provides information about the qualifications and business practices of CANDOR WEALTH ADVISORS, LLC ["Candor"]. If you have any questions about the contents of this Brochure, please contact us at 908-598-0909. 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. "Brochure" is a term used in the federal regulations to describe this document and what it contains.

CANDOR WEALTH ADVISORS, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about CANDOR WEALTH ADVISORS, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Candor Wealth Advisors, LLC (“Candor”) previously updated its ADV Part II on March 31, 2011. The business activities of Candor have not changed materially since the time of that update.

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

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

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

Currently, our Brochure may be requested by contacting Michael C. Provine, Chief Compliance Officer at 908-277-1300 or mprovine@candorwealth.com. Our Brochure is also available on our web site www.candorwealth.com, also free of charge.

Additional information about Candor Wealth Advisors, LLC is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with Candor who are registered, or are required to be registered, as investment adviser representatives of Candor.

Item 3 -Table of Contents

Item 1 - Cover Page	i
Item 2 - Material Changes	ii
Item 3 -Table of Contents	iii
Item 4 - Advisory Business	1
Item 5 - Fees and Compensation	4
Item 6 - Performance-Based Fees and Side-By-Side Management	5
Item 7 - Types of Clients	5
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss	6
Item 9 - Disciplinary Information	7
Item 10 - Other Financial Industry Activities and Affiliations	8
Item 11 - Code of Ethics	9
Item 12 - Brokerage Practices	11
Item 13 - Review of Accounts	13
Item 14 - Client Referrals and Other Compensation	14
Item 15 - Custody	15
Item 16 - Investment Discretion	16
Item 17 - Voting Client Securities	16
Item 18 - Financial Information	16

Item 4 – Advisory Business

Candor Wealth Advisors LLC is an independent investment organization that is privately owned by its employees.

Candor's investment advisory services, which may include investment consulting, financial or estate and tax planning reviews, as described below, are currently limited to the discretionary and non-discretionary management of investment portfolios for individuals, pension and profit sharing plans, and trusts, together with various forms of planning reviews as noted, in accordance with the investment objective(s) of the client. To the extent requested by a client, Candor may provide limited consultation services on investment and non-investment related matters (primarily retirement and estate planning as noted). Candor is neither an attorney nor an accountant, and no portion of any consultation services should be interpreted by the client as legal or accounting advice. Any such consultation services, to the extent rendered, shall be rendered based on the circumstances of a client request, for which Candor may or may not receive any separate or additional fee. Candor may, upon client request, conduct a more comprehensive examination of a client's financial condition and make appropriate recommendations in the areas of cash flow, tax, and estate planning. Candor may, for this more comprehensive exam, charge a fee in excess of normal investment management charges (below). This additional service would be rendered to a client, and a fee levied upon a separate oral or written agreement with the client.

INVESTMENT IMPLEMENTATION / MANAGEMENT

As of December 31, 2011, Candor managed \$153,207,755 (63 clients/335 accounts) on a discretionary basis.

Clients engage Candor to provide investment management services on a fee-only basis. In the event the client determines to engage Candor, Candor shall charge an annual investment management fee based upon a percentage of the market value of the assets being managed by Candor. The investment management fee charged shall vary (between 0.20% and 0.75%, see below) depending upon the market value of assets under management and the specific type of investment management services to be rendered.

Candor has a contract with another RIA (as noted in subsequent Items below) as a Sub Adviser for its clients, and intends to enlist and employ other sub-advisers defined herein as a Registered Investment Adviser (with state or federal registration), Private Equity Manager or Adviser, Hedge Fund Manager or Adviser, US or State Chartered Trust Company, Registered Investment Company, Exchange Traded Fund (ETF), Registered Broker Dealer or Mutual or Stock Insurance Company which provides management and supervision of investments which may have products or services which Candor will utilize to manage assets. Included will be Tradition Capital Management LLC # 801-58075 as a domestic equity and bond manager, a firm which is owned, operated, and administered by the members of Candor Wealth Advisors, and is therefore an affiliated company.

Candor's annual investment management fee shall be prorated and billed quarterly in advance, based upon the market value of the assets on the last business day of the quarter that services are rendered. "Investment management fee" shall be defined and include fees paid for the investment of all assets of a client or client relationship, whether those assets

are invested directly by Candor, or are allocated to Sub-Advisers as defined above. Fees charged by Sub-Advisers may be directly billed to the client, or may be billed to Candor for subsequent billing to client, and will be in addition to fees charged by Candor (as noted below) for the management and supervision of all client assets overseen directly by Candor inclusive of those out-placed to Sub-Advisers.

Candor generally requires a \$1 million per client minimum for investment management services. Candor, in its sole discretion, may charge a lesser management fee or waive the \$1 million client minimum based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, accounts referred to adviser by another investment professional, or referred by an existing client, etc.)

To the extent that the client requests that Candor recommend a broker-dealer/ custodian for execution and/or custodial services (exclusive of those clients that direct Candor to use a specific broker-dealer/custodian), Candor generally recommends that investment management accounts be maintained at a single broker-dealer and/or custodians, for the purposes of account reporting and aggregation, and for simplicity and facility required for best execution of trades. Upon client request, Candor will render an opinion regarding the selection of a broker-dealer/custodian based upon Candor's knowledge of particular broker-dealers or custodians. Factors such as best and least-cost execution, quality of service, multiplicity of specific services, and Tradition's history with such firms will be considered as more particularly described below in this section and under the expanded explanation of Items 12A and 12B. Also we require a custodial firm to provide a sufficiently robust and complete trading and reporting platform which may therefore restrict the number of firms for consideration.

Prior to engaging Candor to provide investment management services, the client will be required to enter into a formal Investment Advisory and Supplemental Services Agreement, or other appropriate form of agreement, with Candor setting forth the terms and conditions under which Candor shall manage the client's assets, and a separate custodial/clearing agreement with the applicable designated broker-dealer/ custodian. Both Candor's Agreement and the custodial/clearing agreement shall authorize the custodian to debit the account for the amount of Candor's investment management fee and to directly remit that management fee to Candor in accordance with required SEC procedures. The Investment Advisory and Supplemental Services Agreement between Candor and the client will continue in effect until terminated by either party in accordance with the terms of the Agreement. Candor's investment management fee shall be prorated and debited through the date of termination, and any remaining balance shall promptly be refunded to the client.

Candor provides investment management services on both a discretionary and nondiscretionary basis. Investment management assets are primarily allocated among individual debt and equity securities, mutual funds, exchange traded funds, structured notes, and other such products and investments issued and provided by those highlighted organizations and companies noted above, in accordance with the investment objectives of the client.

Candor may, from time-to-time receive investable assets from clients for inclusion and possible disposition in affected portfolios. It should be recognized that assets may be so received, and maintained, in portfolios, though such assets may not be of a kind usually

researched and purchased in portfolios typically managed by Candor. Representative but not limited, of such assets are warrants, options contracts on securities and commodities, future contracts on tangibles and intangibles, interests in partnerships investing in real estate, and oil and gas interests, as of the publication of this Brochure.

Broker-dealers/ custodians charge commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity/debt securities transactions). When beneficial to the client, individual bond transactions may be effected through broker-dealers with whom Candor has entered into arrangements for prime brokerage clearing services. In addition to Candor's investment management fee, brokerage commissions and/or transaction fees, the client will also incur, relative to all mutual fund purchases, charges imposed at the mutual fund level (e.g. management fees and other fund expenses).

Candor will be primarily compensated as an investment advisor which will, but in the normal course of management events for its clients may not, act as an investment administrator and coordinator of investment products, strategies and accounts which are provided by secondary advisors and managers (sub-advisers) as defined and noted above in this section. As the primary agent-adviser for its clients, Candor may also initiate investment accounts and primary investment services without the enlistment and employment of sub-advisers at its discretion.

Factors which Candor considers in recommending a particular broker-dealer/ custodian to clients include financial strength, reputation, execution, pricing, research, and service which will allow Candor to purchase and maintain investment information among multiple investment providers. Neither Candor, nor any of its Principals or Associated Persons will receive any portion of the brokerage commissions and/or transactions fees charged to clients. In return for effecting securities transactions through a designated broker-dealer/custodian, Candor may receive certain investment research products and/or services which assist Candor in its investment decision-making process for the client pursuant to Section 28(e) of the Securities Exchange Act of 1934. As of the above date, Candor receives no such services from any specific broker-dealer.

Candor also uses software programs from external vendors for strategies provided and used in the development of the clients' investment summary.

Candor does receive amalgamated and combined research from an independent 3rd- Party firm for which Candor pays hard dollars. Although the commissions paid by Candor's clients shall comply with Candor's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Candor determines, in good faith, that the commission is reasonable in relation to the value of the account and institutional services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Candor will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. Although the investment research products and/or services that may be obtained by Candor will generally be used to service all of Candor's clients. The brokerage commissions and/or

transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Candor's investment management fee.

In performing its services, Candor shall not be required to independently verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon.

Candor's clients are advised to promptly notify Candor if there are ever any changes in their financial situation or investment objectives, or if they wish to impose any reasonable restrictions upon Candor's management services. The client may impose restrictions on investing in certain securities or types of securities.

Neither Candor nor the client may assign the Investment Advisory and Supplemental Services Agreement without the prior consent of the other party. Transactions that do not result in a change of actual control or management of Candor shall not be considered an assignment, inclusive of transactions which are mere changes in corporate form.

A copy of Candor's written disclosure statement as set forth on Part II of Form ADV shall be provided to each client prior to or contemporaneously with the execution of the Investment Advisory and Supplemental Services Agreement a copy of which is attached hereto outlining discretionary services and made part of this Brochure. Any client who has not received a copy of Candor's written disclosure statement at least forty-eight (48) hours prior to executing the Investment Advisory and Supplemental Services Agreement shall have five (5) business days subsequent to executing the agreement to terminate Tradition's services without penalty.

Item 5 – Fees and Compensation

The specific manner in which fees are charged by Candor is established in a client's written agreement with Candor. All fees may be subject to negotiation.

Candor's fees are based on assets under advisory management. Clients may elect to be billed directly for fees or to authorize Candor to directly debit fees from client accounts. The rates below are annualized rates, billed quarterly at the beginning of the quarter that services are rendered, with a minimum annual fee of \$10,000 generally applied. Fees charged by sub-advisers may be billed and/or deducted separately, and will increase total fees paid by client to Candor and other such financial providers and sub-advisers, combined. Other such fees may be investment consulting fees, if any, charged for advice rendered on investment and other financial accounts outside the purview of any contract or agreement, at the request and acquiescence of any client. Included in such consulting fees may be those charged for independent planning services, as noted below.

Fees may be negotiated if circumstances related to each account or relationship warrant.

- 0.75% on the first \$2,000,000 of assets managed
- 0.60% on the next \$3,000,000 of assets managed
- 0.50% on the next \$5,000,000 of assets managed
- 0.40% on the next \$10,000,000 of assets managed
- 0.30% on assets over \$20,000,000

Candor's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Candor's fee, and Candor shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that Candor considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

TERMINATION OF SERVICES

The Investment Advisory and Supplemental Services Agreement may be terminated by either Candor or the client by 5 days notice to the other. Client shall be entitled to a pro-rata reimbursement of any pre-paid investment management fees, and any earned, unpaid fees will be due and payable.

PLANNING AND FINANCIAL ANALYSIS FEES

Review services are generally charged on a per assignment basis as negotiated with each client, subject to a minimum fee of \$10,000 or as negotiated with the client. We will apply our planning or retainer fee towards the wealth management fee when appropriate on a full or prorated basis depending on circumstances and timing, at the discretion of Candor.

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

Candor does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

Candor may provide portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, charitable institutions and foundations, with emphasis on services to individuals and high net worth individuals and their related entities.

Candor generally requires a \$1 million per client minimum for investment management services. Candor in its sole discretion, may charge a lesser management fee or waive the \$1 million client minimum based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, accounts referred to adviser by another investment professional, etc.)

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

Risks to financial assets are numerous and varied. Investing in securities involves risk of loss that clients should be prepared to bear. We comment below on a few of the risks but do not cover all potential risks.

All financial assets have the shared risks of volatility and liquidity. The risks are related in that as liquidity is withdrawn price volatility generally increases, which could result in sharp downward move in market prices as prices adjust looking for buyers to provide liquidity. This is a risk for all Candor Wealth Advisor's asset classes and securities.

Candor's main method of mitigating risk is through the development of a Global Investment Policy that calls for diversification across asset classes and globally. While this diversification can lower overall volatility it does not eliminate risk. The underlying asset classes and securities still have their specific risk discussed in more detail below.

Candor utilizes several types of investment vehicles, such as separately managed accounts (SMA), Exchange Traded Funds (ETFs), mutual funds, money markets, structured notes and partnerships. In addition, Candor will utilize some fixed income instruments which are discussed in more detail below. Although the type investments might vary, most of the investment vehicles have some form of equities or fixed income in their strategic and tactical makeup.

Candor utilizes several equity strategies. We will detail some of the risks of equity investments that apply to all of Candor's equity strategies but do not opine that all risks are covered. We will divide the discussion into overall equity market risks and individual security risk. Equity markets are volatile and impacted by liquidity and investor sentiment. Many issues impact investor sentiment and thus investors' willingness to participate or purchase equity securities or thus provide liquidity to the market. Investor sentiment is impacted by economic conditions, sovereign monetary policy, political climate, world events, tax rates and other social factors. Sentiment can change rapidly causing major stock price declines in short order. It is difficult if not impossible to forecast these changes in sentiment and the resulting price declines. Investing in stocks thus is a risky proposition that could result in significant losses that are not related to an individual company's fundamentals.

Each equity security has the risks mentioned above and has company or industry related fundamental risks. As above, sentiment and liquidity can create price declines or negatively impact the valuation metrics (price to earnings, sales, book value or EBITDA (Earnings Before Interest, Taxes, Depreciation, Amortization)) that market is willing to pay for a company in a particular industry. In addition the company is faced with other fundamental risks like changes in industry, competition, lower demand for its products, technological obsolesces, competitor innovation, patents, regulatory changes, political risks, cost inflation, labor relations, environmental issues, product liability and numerous other fundamental factors. Negative fundamental factors can reduce the value of the company and bring its continuing existence as an ongoing concern into question. In addition, some companies face financial risks as they are dependent on raising capital in the financial markets to fund their operations. Financial markets may refuse to provide this funding.

Candor helps manage or mitigate the risks discussed above by selecting strategies, investment venues, and particular securities within diversified portfolios that spread security risk across numerous companies, and particular sectors of investment.

Where clients' circumstances are deemed appropriate, Candor also utilizes hedges or securities that are inversely correlated with market price movements in order to reduce the overall volatility of portfolio of equity securities. While these hedges may reduce overall portfolio volatility, the hedge securities themselves are volatile and will result in losses on the hedge securities themselves if the markets move adversely, or up. Candor may utilize inversely correlated equity securities only as hedges and not as speculative trading vehicles. Candor may also utilize options in our hedging strategies and may on occasion use structured products for hedges. Candor's separate outside managers may also use such investments.

Fixed income investments have the liquidity and volatility issues of all financial assets. In addition, they have several other asset-class specific risks. All of Candor's fixed income strategies including money markets or other third party SMAs, funds, ETFs have these risks. Inflation risk reduces the real value of investments as purchasing power declines on nominal dollars that are received as principal and interest. Interest rate risk comes from a rise in interest rates that causes a fixed income security to decline in price in order to make the market price based yield competitive with the prevailing interest rate climate. Fixed income securities are also at risk of issuer default or the markets' perception that default risk has increased. In default, either some or all the securities' interest and principal payments will be omitted or delayed. The increase of this possibility can in itself cause the market price for a fixed income security to fall. Candor attempts to manage these risks by selecting strategies that diversify. Diversification may help reduce default risk but does not eliminate it. Diversification does not help with inflation or interest rate risk.

Candor may utilize ETFs for certain commodities that are not diversified. This exposes the investor to price fluctuation on the underlying commodity or commodities. Candor helps mitigate this risk by having limits on the percentage of client capital which will be deployed and mixing these ETFs into a broadly diversified portfolio.

Candor may utilize structured notes or structured products to meet some of our asset class objectives or as hedging instruments. Structured Notes have the underlying volatile risks of the indices or securities they are built to track, but also have the credit risk in that the structured instruments often represent liabilities for a third party, most often a financial institution. As such, the investor is subject to default risk as discussed above.

Candor may use partnerships to provide exposure to real assets like real estate, energy production or timber. In addition, many partnerships like hedge funds provide alternative investments. These alternative investments may have any or all of the risks listed above in addition to limited transparency or liquidity.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Candor or the integrity of Candor's management. Candor has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Candor Wealth Advisors has entered a sub-advisory relationship with Harding Loevner, LLC, 50 Division Street, Ste 401, Somerville, NJ 08876 #801-36845 for the management of International Equity. Client accounts are held at Charles Schwab and/or Fidelity Investors under a prime broker arrangement with Harding Loevner providing management and trade direction. Such clients are contractually clients of Candor Wealth Advisors and not Harding Loevner.

Candor Wealth Advisors will be entering into a sub-advisory relationship with Forward Management, LLC, 101 California Street, Suite 1600, San Francisco, CA 94111 #801-55746 for the management of international equity. Client accounts are held at TD Ameritrade under a prime broker arrangement Forward Management providing management and trade direction. Such clients are contractually clients of Candor Wealth Advisors and not Forward Management.

Candor Wealth Advisors will be entering into a sub-advisory relationship with WCM Investment Management, 281 Brooks Street, Laguna Beach, CA 92651 #801-11916 for the management of international equity. Client accounts are held at TD Ameritrade under a prime broker arrangement WCM Investment Management providing management and trade direction. Such clients are contractually clients of Candor Wealth Advisors and not WCM Investment Management.

Candor Wealth Advisors has entered into a sub-advisory relationship with Tradition Capital Management, 129 Summit Avenue, Suite 300, Summit, NJ 07901 #801-58075 for the management of equity and fixed accounts. Client accounts are held at various banks and brokers. Such clients are contractually clients of Candor Wealth Advisors, and Tradition Capital Management, and may be fully assigned, upon acquiescence of the client, to Candor from Tradition, in the future. Candor and Tradition are affiliated companies, which share personnel, occupancy space, equipment and other services; a Cooperative Services Agreement is in place between Candor and Tradition. Some clients may also wish to utilize Candor services but restrict their investments to the equity and/or fixed-income strategies of Tradition Capital Management. In this case Candor arranges for such delegation of investment responsibility to Tradition solely. Tradition provides trading, account maintenance, and data segregation capabilities to Candor for the proper accounting for such client accounts.

Depending upon circumstances (such as when pre-existing Tradition clients also become Candor clients) clients may or may not sign or have in place dual contracts covering services provided by both companies, or may have letter agreements noting specific services or restrictions between each company.

Candor intends that most, if not all, clients will engage a relationship with Tradition as one of its sub-advisors, Management personnel of the Candor retain full authority and discretion for the allocation of investment assets among the Candor-Advisor and each sub-advisor, including Tradition, under the Candor contractual relationship.

Other than those for introduction, sales and marketing efforts of either affiliated company, there will be no dissemination or sale of any client information for the sales or marketing efforts of any other non-affiliated company, as more particularly described in such notices, and/or client agreement.

Item 11 – Code of Ethics (Code of Fiduciary and Regulatory Compliance and Conduct)

Candor has adopted a Code of Fiduciary and Regulatory Compliance and Conduct (the “Code”) for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code includes provisions relating to the confidentiality of client information, a prohibition on insider trading, and personal securities trading procedures, among other things. All supervised persons at Candor must acknowledge the terms of the Code annually, or as amended.

Candor anticipates that, in appropriate circumstances, consistent with clients’ investment objectives, it will cause accounts over which Candor has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Candor, its affiliates and/or clients, directly or indirectly, have a position of interest. Candor’s employees and persons associated with Candor are required to follow Candor’s Code. Subject to satisfying this policy and applicable laws, officers, directors and employees of Candor and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Tradition’s clients. The Code is designed to assure that the personal securities transactions, activities and interests of the employees of Candor will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. The Code requires pre-clearance of any transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code permits employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code, and to reasonably prevent conflicts of interest between Candor and its clients.

Candor’s clients or prospective clients may request a copy of the firm’s Code by contacting Michael C. Provine, Chief Compliance Officer.

It is Candor’s policy that the firm will not affect any principal securities transactions for client accounts. Candor however does allow cross transactions under certain conditions. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

When Candor engages in cross transactions it does not receive any additional compensation, other than its advisory fee. Candor Capital Management is not a dually registered broker-dealer, is not affiliated with any broker-dealer, and does not have any soft dollar arrangements with any broker-dealer, particularly with one providing recordkeeping, custodial or execution services for affected cross-trades.

Candor continues to carry out its fiduciary responsibility and acts in the best interests of the client, including fulfilling its duty with respect to the best price and execution for the particular transaction for the client.

Candor will allow cross trades between client accounts under the strict circumstances. Cross trades will only be initiated where a liquidation of a bond is required due to a) rebalancing of client portfolios, b) raising cash through the sale of bonds, c) re-allocating of assets to adhere to client's objectives, or d) where factors involving the liquidity of the cross-traded bond and its price in the market is such that the cross-trade will be more advantageous to both the buyer and seller. Candor has adopted various procedures to implement the firm's cross trading policy and reviews to monitor and ensure the firm's policy is observed and implemented properly.

Investment Policy

No employee of Candor may effect for himself or herself or for his or her immediate family (i.e. spouse, minor children) (collectively "Covered Persons") any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of Candor's clients, unless in accordance with the following Firm Procedures. These procedures mirror the procedures of Candor's affiliate, Tradition Capital Management, which manages the investments of the members and employees of the firm and the Tradition Capital retirement plans, in which the members of Candor and its employees continue to participate. Hence, employees of Candor must follow these procedures and are particularly prescribed accordingly.

Firm Procedures

In order to implement Candor's Investment Policy, the following procedures have been put into place with respect to Candor and its Covered Persons:

- (1) If Candor is purchasing or considering for purchase any security on behalf of Candor's client, no Covered Persons may transact in that security prior to adequate opportunity for purchase for discretionary clients by Candor, or until a decision has been made not to purchase the security on behalf of said clients; and
- (2) If Candor is selling or considering the sale of any security on behalf of Candor's client, no Covered Persons may transact in that security prior to adequate opportunity to sell on behalf of the discretionary clients by Candor, or until a decision has been made not to sell the security on behalf of the client.
- (3) All employees and Covered Persons who wish to place self-directed independent trades, must place such trades through the Candor's trading desk, where a record of such trades shall be kept and reviewed at least quarterly by the compliance officer. The sale or purchase of investments noted below in "Exceptions" may be excluded from these records. Candor must receive monthly statements from investment custodians for all such investment positions and accounts. All non-employee Covered Persons who maintain outside managed accounts, not managed by Candor, must arrange for periodic statements to be submitted to Candor for such accounts. Such accounts must be completely discretionary to the outside manager. If the Covered Person maintains any capability to direct investment sales and purchases (excluding outside cash and money market transactions, and those under "Exceptions", below) such directions must be executed through the Firm's trading desk as above.

Exceptions

- (1) This investment policy has been established recognizing that some securities being considered for purchase and sale on behalf of Candor's clients trade in sufficiently broad markets to permit transactions by clients to be completed without any appreciable impact on the markets of the securities. Under certain circumstances exceptions may be made to the policies stated above. Records of these trades will be maintained with Candor's records in the manner set forth above. Exceptions must be approved by Candor's Compliance Officer and a written record shall be kept of same.
- (2) Open-end mutual funds and/or the investment subdivisions which may comprise a variable insurance product are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase or redemption. As such, transactions in mutual funds and/or variable insurance products by Covered Persons are not likely to have an impact on the prices of the fund shares in which clients invest, and are therefore not prohibited by Tradition's Investment Policy and Procedures. If Candor ever enters into an Advisory or Sub-Advisory agreement with any fund under this section, the fund, defined as a "security" under (1) and (2) of the "Firm's Procedures" above, will be subject to the same purchase and sale restrictions under (1) and (2).
- (3) Treasury Securities, Agencies, and large (over \$200 million) Corporate issues are excluded from this policy given their liquidity.

In accordance with Section 204A of the Investment Advisers Act of 1940, Candor also maintains and enforces written policies reasonably designed to prevent the misuse of material nonpublic information by Candor or any person associated with Candor.

Item 12 – Brokerage Practices

Please see the previous responses set forth on this Brochure to Item 4. In addition, Candor's general policies relative to the execution of client securities brokerage transactions are as follows:

- (1) Execution of Brokerage Transactions and Placement Brokerage (when applicable). If requested, Candor will arrange for the execution of securities brokerage transactions for the account through broker-dealers that Candor reasonably believes will provide "best execution". In seeking best execution, the determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Candor will seek competitive commission rates, it may not necessarily obtain the lowest possible commission rates for account transactions.

Consistent with obtaining best execution, transactions for a client's account may be effected through broker-dealers in return for research products and/or services which assist Candor in its investment decision-making process (see response under

Item 4, above). Such research generally will be used to service all of Candor's clients, but brokerage commissions paid by client may be used to pay for research that is not used in managing the client's account. The account may pay to a broker-dealer a commission greater than another qualified broker-dealer might charge to effect the same transaction where Candor determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received.

Transactions for each client account generally will be effected independently, unless Candor decides to purchase or sell the same securities for several clients at approximately the same time. Candor may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Candor's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among Candor's clients in proportion to the purchase and sale orders placed for each client account on any given day. To the extent that Candor determines to aggregate client orders for the purchase or sale of securities, including securities in which Tradition's principal(s) and/or associated person(s) may invest, Candor shall generally do so in accordance with the parameters set forth in SEC regulations, as they are periodically reported. Candor shall not receive any additional compensation or remuneration as a result of the aggregation.

The client may direct Candor to use a particular broker-dealer (subject to Candor's right to decline and/or terminate the engagement) to execute some or all transactions for the client's account. In such event, the client will negotiate terms and arrangements for the account with that broker-dealer, and Candor will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Candor. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

In the event that the client directs Candor to effect securities transactions for the client's account(s) through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the account(s) to incur higher commission or transaction costs than the account(s) would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Candor. Candor will note a record of client broker/dealer/custodian direction under the client objective records maintained for each account and/or client relationship. Candor may attempt to, but is not required to, communicate with a Client's designated broker/dealer to arrange a lower-priced commission structure for current, pending or future trades in order to fulfill its duty to seek best execution.

In the event that the transactions for a client's account(s) are effected through a broker-dealer that refers investment management clients to Candor, there exists the potential for conflict of interest if the account(s) incur higher commission or

transaction costs than the account(s) would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Candor. When an account is referred to Candor by a broker/dealer, the referral shall be reported to the Compliance Officer and annual reviews of related commissions paid and attendant execution practices shall be performed by the Compliance Officer. Said reviews shall be exclusive of any accounts noted to be "wrap" accounts, wherein brokerage, custodial, and management services are aggregated under a single fee broker-dealer controlled agreement.

- (2) Initial Public Offering (IPO) Policy. On occasion, Candor, through its clearing/custodial firm relationships, may have limited access to IPO shares. Except with respect to the limited exception noted below, Candor does not purchase and/or recommend for purchase IPOs for its individual client accounts. The exception to the above policy is for those individual clients of Candor who, on a completely unsolicited basis, contact Candor to request that Candor purchase a specific IPO for his/her/their/its account, to the extent same has been made available to Candor. In the event of any such unsolicited request(s), Candor, after first determining that the client(s) is *qualified* for such specific IPO (i.e., suitable for the client(s) relative to the client's(s') investment objective(s), financial situation(s) and current asset allocation(s)), *may* (to the extent possible under the circumstances) purchase such IPO on a pro-rata basis with other unsolicited client requests. To the extent possible and applicable under the circumstances, Candor will allocate unsolicited individual client IPO share purchases among *qualified* individual clients on a rotational basis. To the extent possible and applicable under the circumstances, Candor will use reasonable efforts to allocate available IPO shares on a fair and equitable basis in accordance with the terms and conditions of the aforementioned policy.
- (3) Structured Notes: Candor may also broadly or singly purchase for clients Structured Notes in which the underlying investments of each Note are anticipated to provide participation in desirable markets and investment strategies, e.g. various types of commodities or currency based certificates. These Notes are frequently compiled for a sufficiently broad number of client accounts, for which an allocation into such strategies has been determined by Candor, by the sub-advisor by special or one-time fulfillment.

Item 13 – Review of Accounts

For those clients to whom Candor provides investment management services, account reviews are conducted on an ongoing basis by Candor's Managing Directors and/or Associated Persons, and such reviews may be conducted by sub-advisers under terms and frequencies determined by the sub-adviser. All investment management (discretionary or non-discretionary) clients are advised that it remains their responsibility to advise Candor of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to comprehensively review investment objectives and account performance with Candor on an annual basis, as applicable. Factors involved in reviews of accounts may include, but are not limited to: available cash to invest, equity allocation (percentage)

objectives, tax constraints, cash usage constraints and objectives imposed by, or existing with, clients, individual holding purchase or sale decisions, client-imposed purchase restrictions, client-directed purchases or sales, and research directed toward investments to be broadly selected for clients depending upon other factors above.

Global Investment Policy Strategy meetings, wherein broad discussions of particular asset classes, markets, and the general economy generally take place at least monthly with more frequent general or issue-specific meetings depending on investment issues and circumstances and the employment of sub-advisers. Client account reviews occur on a frequency dependent on Candor personnel's knowledge of the client account factors noted above. Candor also endeavors to meet with clients at times and places of mutual convenience in order to more comprehensively review investments, performance, and client directions related to respective accounts, on an as-needed basis. Accounts are reviewed (individually, per client, or in a macro sense regarding security selection, or sub-adviser employment, involving a broad base of clients) by personnel, individually or collectively, by some or all of the personnel, inclusive of sub-advisers who may have individualized policies related to internal investment selections and reviews.

As Candor wealth advisory services are substantially provided on a discretionary basis (without individual client acquiescence for each trade or securities transaction, and, by trade execution by Candor and not as instituted by client) transactions are broadly executed for many clients at once. The appropriateness of such broadly placed transactions for respective clients is established originally by consultation and agreement, with account guidelines and percentage equity/fixed income objectives communicated to each client, and maintained on the sub-advisor's internal portfolio management system.

Such guidelines and objectives create flexible percentage constraints over the value and amount of specific asset class and/or individual security representations placed in an account. As markets move and as clients add or withdraw capital, or for other reasons, Candor will allow an approximate 10% degree of flexibility in the guidelines (e.g., a 50% account equity target may at times rise to 60% or fall to 40%) without forcing a change in the investments in the account or the seeking of an allowance from a client to change percentage objectives. A variety of market-driven or client-specific reasons may dictate no modifications in such situations. Conversely such percentage movements may also afford opportunities to buy or sell securities to return the account to the target percentages, depending on client instructions or other constraints which may dictate the type, timing and pace of changes to account investment positions where there may be this type of difference to account percentage allocation targets.

Any sub-advisor will supply to Candor and its clients a copy of its ADV Part II and Privacy Notice to be maintained by Candor and distributed to clients employing the services of such sub-adviser if such Brochure is available for receipt and distribution.

Item 14 – *Client Referrals and Other Compensation*

Please see the response set forth in Item 4 pertaining to investment research products and/or services which assist the Candor in its investment decision-making process for its clients, all of which transactions shall be in compliance with Section 28(e) of the Securities Exchange Act of 1934. In addition, although not a material consideration when determining whether to

recommend that a client utilize the services of a particular broker-dealer/custodian, Candor may receive from a particular broker-dealer/ custodian, without cost, allowable products and services, which allow Candor to better monitor and service client accounts maintained at a particular broker-dealer/custodian. Candor may receive such services without cost, because Candor renders investment management services to clients that maintain accounts at a particular broker-dealer/custodian whose aggregate total assets at a particular broker-dealer/custodian exceed the established minimum required for an investment manager to receive such services without cost. As of the date of preparation of the ADV document, no support services have been supplied by any broker-dealer/custodians, nor are there current plans to seek same.

Item 15 – Custody

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Candor urges their clients to carefully review such statements and compare such official custodial records to the account statements that Candor may provide. Candor's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Candor's affiliate, Tradition Capital Management LLC, maintains custody as custody is defined under Rule 206(4)-2 under the Adviser's Act of 1940, as follows: Member Michael Provine: Sole trustee for 1 client Charitable Remainder Unitrust, sole trustee for 3 client Irrevocable Trusts, Co -trustee for 3 client Irrevocable Trusts, sole trustee for 3 Revocable Trust, and co-trustee of its affiliate, Tradition Capital Management's Employee qualified retirement plans; Member Benjamin Halliburton: Co-trustee of the Employee qualified retirement plans; Steven Ely: Co -trustee for 1 client Irrevocable Trust, and co-trustee of legacy Haven's Profit Sharing Plan; Dennis Turko: co-trustee of legacy Haven's Employee qualified retirement plans.

Additionally, Mr. Provine is one of 3 co-trustees and a member of the Board of Trustees of a private charitable foundation for which Tradition provides advisory services. Mr. Provine also maintains custody jointly with other members of the Board of cash accounts for said Foundation.

One Revocable Trusts for which Mr. Provine is sole trustee, one Revocable Trust for which he is co-trustee, three Irrevocable Trusts for which he is co-trustee, as well as three Irrevocable Trusts in which Mr. Provine is sole trustee have been assigned to Candor Wealth Advisors. Tradition Member Provine may assign the remainder trusteed accounts to Candor.

A recent examination was conducted by an Independent accounting firm covering all trusteed accounts for a representative period in 2011. Candor and Tradition received unqualified (ie. Acceptable) opinions from the examining firm and Forms ADV-E noting same were filed with the Securities and Exchange Commission.

All trusts and entities maintain custody with "qualified custodians" under the terms of the Rule. Each custodian delivers monthly account statements to the unitrust payees/ clients per the requirements of the Rule. Said statements include a market value appraisal of all assets held therein.

Item 16 – Investment Discretion

Candor usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Candor observes the investment policies, limitations and restrictions of the clients for which it advises.

Investment guidelines and restrictions may be provided to Candor orally or in writing.

Item 17 – Voting *Client* Securities

Clients may obtain a copy of Candor's complete proxy voting policies and procedures upon request. Clients may also obtain information from Candor about how Candor voted any proxies on behalf of their account(s).

The client (unless Candor is directed otherwise in writing or in the *Investment Advisory Services Agreement*) shall be responsible for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the assets. Candor is authorized to instruct the Custodian to forward to the client copies of all proxies and shareholder communications relating to the assets. Candor may provide advice to clients regarding the clients' voting of proxies. The cooperative services agreement with Tradition will also detail and control the responsible parties for the execution and return delivery of some proxies.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Candor's financial condition. Under no circumstance do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual and fiduciary commitments to clients. Candor has no other financial circumstances to report and has never been the subject of a bankruptcy proceeding.