

## **Item 1 - Cover Page**

# **OCTOBER WEALTH ADVISORS, INC.**

**CRD# 153993**

322 North 8<sup>th</sup> Street  
Fort Smith, Arkansas 72901

(479) 452-0996

## **April 30, 2012 Brochure**

This brochure provides information about the qualifications and business practices of October Wealth Advisors, Inc. ("OWA"). If you have any questions about the contents of this brochure, please contact us at (479) 452-0996 or [dcraig@octwealth.com](mailto:dcraig@octwealth.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state authority.

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

## **Item 2 - Summary of Material Changes**

As you may be aware, the format that registered investment advisers are required to use in order to inform clients of the nature of advisory services provided, types of clients served, fee charged, potential conflicts of interest and other information has changed.

In the past, we were only required to offer you our updated brochure on an annual basis. Under the new rules, we are required to annually provide each client with these amended disclosures, rather than merely making the offer. If there had been changes to our brochure since our last regulatory filing, we would be required to inform you of these changes. However, there have been no material changes to the Firm's brochure since its last required filing, dated February 29, 2012.

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#### ***Item 4 - Advisory Business***

##### **General Information**

October Wealth Advisors, Inc. was formed in 2010 and provides portfolio management and general consulting services to its clients. At the outset of each client relationship, OWA spends time with the client, asking questions, discussing the client's investment experience and financial circumstances, and reviewing options for the client. Based on its reviews, OWA generally develops with each client:

- a financial outline for the client based on the client's financial circumstances and goals, and the client's risk tolerance level (the "Financial Profile"); and
- the client's investment objectives and guidelines (the "Investment Plan").

The Financial Profile is a reflection of the client's current financial picture and a look to the future goals of the client. The Investment Plan outlines the types of investments OWA will make on behalf of the client in order to meet those goals. The Profile and the Plan are discussed regularly with each client, but are not necessarily written documents.

Where OWA provides general consulting services, OWA will work with the client to prepare an appropriate summary of the specific project(s) to the extent necessary or advisable under the circumstances.

##### **Portfolio Management**

As described above, at the beginning of a client relationship, OWA meets with the client, gathers information, and performs research and analysis as necessary to develop the client's Investment Plan. The Investment Plan will be updated from time to time when requested by the client, or when determined to be necessary or advisable by OWA based on updates to the client's financial or other circumstances.

To implement the client's Investment Plan, OWA will manage the client's investment portfolio on a discretionary basis or a non-discretionary basis. As a discretionary investment adviser, OWA will have the authority to supervise and direct the portfolio without prior consultation with the client. Clients who choose a non-discretionary arrangement must be contacted prior to the execution of any trade in the account(s) under management. This may result in a delay in executing recommended trades, which could adversely affect the performance of the portfolio. This delay also normally means the affected account(s) will not be able to participate in block trades, a practice designed to enhance the execution quality, timing and/or cost for all accounts included in the block. In a non-discretionary arrangement, the client retains the responsibility for the final decision on all actions taken with respect to the portfolio.

Notwithstanding the foregoing, clients may impose certain written restrictions on OWA in the management of their investment portfolios, such as prohibiting the inclusion of certain types of investments (e.g., "sin stocks") in an investment portfolio or prohibiting the sale of certain investments held in the account at the commencement of the relationship. Each client should note, however, that restrictions imposed by a client may adversely affect the composition and performance of the client's investment portfolios. Each client should also note that his or her investment portfolio is treated individually by giving consideration to each purchase or sale for the client's account. For these and other reasons, performance of client investment portfolios within the same investment objectives, goals and/or risk tolerance may differ and clients should not

expect that the composition or performance of their investment portfolios would necessarily be consistent with similar clients of OWA.

#### Principal Owners

David C. Craig is the sole principal owner of OWA. Please see **Brochure Supplement**, Appendix A, for more information on Mr. Craig.

#### Type and Value of Assets Currently Managed

As of December 31, 2011, OWA managed \$48,760,228 on a discretionary basis, and \$8,581,565 of assets on a non-discretionary basis.

### ***Item 5 - Fees and Compensation***

#### General Fee Information

Fees paid to OWA are exclusive of all custodial and transaction costs paid to the client's custodian, brokers or other third party consultants. Fees paid to OWA are also separate and distinct from the fees and expenses charged by mutual funds, ETFs (exchange traded funds) or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund's prospectus or offering materials). The client should review all fees charged by funds, brokers, OWA and others to fully understand the total amount of fees paid by the client for investment and financial-related services.

#### Portfolio Management Fees

The annual fee schedule, based on a percentage of assets under management, is as follows:

First \$1,000,000	1.00%
Next \$2,000,000	0.75%
Balance above \$3,000,000	0.50%

The minimum portfolio value is generally set at \$100,000. The minimum annual fee for any account is \$1,000. OWA may, at its discretion, make exceptions to the foregoing or negotiate special fee arrangements where OWA deems it appropriate under the circumstances.

Portfolio management fees are generally payable quarterly, in advance. If management begins after the start of a quarter, fees will be prorated accordingly. Fees are normally debited directly from client account(s), unless other arrangements are made.

Either OWA or the client may terminate their Investment Management Agreement at any time, subject to any written notice requirements in the agreement. In the event of termination, any paid but unearned fees will be promptly refunded to the client, and any fees due to OWA from the client will be invoiced or deducted from the client's account prior to termination.

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

OWA does not have any performance-based fee arrangements. "Side by Side Management" refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because OWA has no performance-based fee accounts, it has no side-by-side management.

## ***Item 7 - Types of Clients***

OWA serves individuals, pension and profit-sharing plans, corporations, trusts, estates, charitable organizations. With some exceptions, the minimum portfolio value eligible for conventional investment advisory services is \$100,000, and the annual minimum fee charged is \$1,000. Under certain circumstances and in its sole discretion, OWA may negotiate such minimums.

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

### Methods of Analysis

In accordance with the Investment Plan, OWA generally selects common stocks, bonds, and less often ETF's and mutual funds for client accounts.

In making selections of individual stocks for client portfolios, OWA may use any of the following types of analysis:

**Fundamental Analysis** – involves review of the business and financial information about an issuer. Without limitation, the following factors generally will be considered:

- Financial strength ratios;
- Price-to-earnings ratios;
- Dividend yields; and
- Growth rate-to-price earnings ratios

**Technical Analysis** – involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.

**Cyclical Analysis** – is a type of technical analysis that involves evaluating recurring price patterns and trends.

OWA's core approach to managing the equity portion of a portfolio incorporates the following:

- For every company in which you invest, understand the business, its management and its strategy.
- Select companies with sustainable and defensible niches.
- Look for depressed valuations and don't overpay.
- Realize that capital preservation is more important than maximizing returns.
- Stay well diversified.
- Limit positions to avoid over-exposure.
- Maintain a strong sell discipline

Mutual funds and ETFs are generally evaluated and selected based on a variety of factors, including, without limitation, past performance, fee structure, portfolio manager, fund sponsor, overall ratings for safety and returns, and other factors.

Fixed income investments may be used as a strategic investment, as an instrument to fulfill liquidity or income needs in a portfolio, or to add a component of capital preservation. OWA may evaluate and select individual bonds or bond funds based on a number of factors including, without limitation, rating, yield and duration.

### Investment Strategies

OWA's strategic approach is to invest each portfolio in accordance with the Plan that has been developed specifically for each client. The first and most significant part of the Plan development process is asset allocation. This involves strategically targeting a percentage of a client's portfolio to be invested in the three major asset classes; equities (stocks, and to a lesser degree stock mutual funds or stock ETFs), fixed income (bonds, and to a lesser degree bond mutual funds or bond ETFs) and cash (money market funds, t-bills or short term CDs). These targets are based generally on age, risk tolerance and income requirements.

### *Diversification*

In the next step, the portfolio strategy is further developed by allocating within asset classes to various sectors. Since these sectors exhibit different risk and return characteristics, when prudently combined, they tend to reduce overall risk while improving returns in the long run. Examples within the equity asset class include value stocks, growth stocks, medium capitalization stocks, small capitalization stocks, international stocks and emerging markets stocks. ETF's and mutual funds may be used to access certain areas of the markets. Within fixed income, there are treasury bonds, inflation protection bonds, mortgage pools, corporate bonds, international bonds, high yield bonds and municipal bonds.

### *Fixed-Income Approach*

OWA specializes in the management of fixed-income portfolios for clients seeking a reliable source of income. The objective of its fixed-income approach is to ensure that a bond portfolio is a source of income with capital preservation as the primary goal. As a result, OWA invests in high quality municipal, corporate, treasury and government agency bonds and notes. OWA strives for safety and liquidity in its bond investments.

The first step in OWA's fixed-income process is to review a client's tax situation and investment risk tolerance. This evaluation will lead OWA to a specific sector or sectors for investment. The tax bracket will guide OWA towards taxable or tax-free bonds, while the risk profile will determine the credit risk and maturity risk for the client.

In the process of implementing the Plan for a client, the following strategies may be used in varying combinations over time for a given client, depending upon the client's individual circumstances.

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.

### Risk of Loss

While OWA seeks to diversify clients' investment portfolios across various asset classes consistent with their Investment Plans in an effort to reduce risk of loss, all investment portfolios are subject to risks. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money.

Below is a description of several of the principal risks that client investment portfolios face.

*Management Risks.* While OWA manages client investment portfolios based on OWA's experience, research and proprietary methods, the value of client investment portfolios will change daily based on the performance of the underlying securities in which they are invested. Accordingly, client investment portfolios are subject to the risk that OWA allocates assets to asset classes that are adversely affected by unanticipated market movements, and the risk that OWA's specific investment choices could underperform their relevant indexes.

*Risks of Investments in Mutual Funds, ETFs and Other Investment Pools.* As described above, OWA may from time to time invest client portfolios in mutual funds, ETFs and other investment pools ("pooled investment funds"). Investments in pooled investment funds are generally less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment funds' success will be related to the skills of their particular managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940.

*Equity Market Risks.* OWA will usually invest portions of client assets directly into equity investments, primarily stocks, or into pooled investment funds that invest in the stock market. As noted above, while pooled investments have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects.

*Fixed Income Risks.* OWA may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

*Foreign Securities Risks.* OWA may invest portions of client assets into pooled investment funds that invest internationally. While foreign investments are important to the diversification of client investment portfolios, they carry risks that may be different from U.S. investments. For example, foreign investments may not be subject to uniform audit, financial reporting or disclosure standards, practices or requirements comparable to those found in the U.S. Foreign investments are also subject to foreign withholding taxes and the risk of adverse changes in investment or exchange control regulations. Finally, foreign investments may involve currency risk, which is the risk that the value of the foreign security will decrease due to changes in the relative value of the U.S. dollar and the security's underlying foreign currency.

#### ***Item 9 - Disciplinary Information***

OWA has no disciplinary events to report.

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

Neither OWA nor its Management Person has any other financial industry activities or affiliations to report.

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

#### Code of Ethics and Personal Trading

OWA has adopted a Code of Ethics ("the Code"), the full text of which is available to you upon request. OWA's Code has several goals. First, the Code is designed to assist OWA in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisers Act of 1940, OWA owes fiduciary duties to its clients. Pursuant to these fiduciary duties, the Code requires OWA associated persons to act with honesty, good faith and fair dealing in working with clients. In addition, the Code prohibits associated persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards for OWA's associated persons (managers, officers and employees). Under the Code's Professional Standards, OWA expects its associated persons to put the interests of its clients first, ahead of personal interests. In this regard, OWA associated persons are not to take inappropriate advantage of their positions in relation to OWA clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time OWA's associated persons may invest in the same securities recommended to clients. Under its Code, OWA has adopted procedures designed to reduce or eliminate conflicts of interest that this could potentially cause. The Code's personal trading policies include procedures for limitations on personal securities transactions of associated persons, reporting and review of such trading and pre-clearance of certain types of personal trading activities. These policies are designed to discourage and prohibit personal trading that would disadvantage clients. The Code also provides for disciplinary action as appropriate for violations.

#### Participation or Interest in Client Transactions

Because associated persons may invest in the same securities as those purchased in client accounts, OWA has established a policy requiring its associated persons to pre-clear transactions in these securities with the Chief Compliance Officer. The goal of this policy is to avoid any conflict of interest that may present itself in these situations. Certain securities, such as CD's, treasury obligations and open-end mutual funds are exempt from this pre-clearance requirement. However, in the event of other identified potential trading conflicts of interest, OWA's goal is to place client interests first.

Consistent with the foregoing, OWA maintains policies regarding participation in initial public offerings (IPOs) and private placements in order to comply with applicable laws and avoid conflicts with client transactions. If a OWA associated person wishes to participate in an IPO or invest in a private placement, he or she must submit a pre-clearance request and obtain the approval of the Chief Compliance Officer. If associated persons trade with client accounts (e.g., in a bundled or aggregated trade), and the trade is not filled in its entirety, the associated person's shares will be removed from the block, and the balance of shares will be allocated among client accounts in accordance with OWA's written policy.



## ***Item 12 - Brokerage Practices***

### **Best Execution and Benefits of Brokerage Selection**

When given discretion to select the brokerage firm that will execute orders in client accounts, OWA seeks “best execution” for client trades, which is a combination of a number of factors, including, without limitation, quality of execution, services provided and commission rates. Therefore, OWA may use or recommend the use of brokers who do not charge the lowest available commission in the recognition of research and securities transaction services, or quality of execution. Research services received with transactions may include proprietary or third party research (or any combination), and may be used in servicing any or all of OWA’s clients. Therefore, research services received may not be used for the account for which the particular transaction was effected.

OWA may recommend that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. (Schwab), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients’ assets. OWA may also effect trades for client accounts at Schwab, or may in some instances, consistent with OWA’s duty of best execution and specific agreement with each client, elect to execute trades elsewhere. Although OWA may recommend that clients establish accounts at Schwab, it is ultimately the client’s decision to custody assets with Schwab. OWA is independently owned and operated and is not affiliated with Schwab.

Schwab provides OWA with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as OWA maintains a pre-established minimum amount of client assets in accounts at Schwab Advisor Services. Schwab’s brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For OWA client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts. Schwab Advisor Services also makes available to OWA other products and services that benefit OWA but may not directly benefit its clients’ accounts. Many of these products and services may be used to service all or some substantial number of OWA accounts, including accounts not maintained at Schwab.

Schwab’s products and services that assist OWA in managing and administering clients’ accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of OWA’s fees from its clients’ accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Advisor Services also offers other services intended to help OWA manage and further develop its business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to OWA. Schwab Advisor Services 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

OWA. Schwab Advisor Services may also provide other benefits such as educational events or occasional business entertainment of OWA personnel. In evaluating whether to recommend that clients custody their assets at Schwab, OWA may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers 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.

#### Directed Brokerage

Clients may direct OWA to use a particular broker for custodial or transaction services on behalf of the client's portfolio. In directed brokerage arrangements, the client is responsible for negotiating the commission rates and other fees to be paid to the broker. Accordingly, a client who directs brokerage should consider whether such designation may result in certain costs or disadvantages to the client, either because the client may pay higher commissions or obtain less favorable execution, or the designation limits the investment options available to the client.

The arrangement that OWA has with Schwab is designed to maximize efficiency and to be cost effective. By directing brokerage arrangements, the client acknowledges that these economies of scale and levels of efficiency are generally compromised when alternative brokers are used. While every effort is made to treat clients fairly over time, the fact that a client chooses to use the brokerage and/or custodial services of these alternative service providers may in fact result in a certain degree of delay in executing trades for their account(s) and otherwise adversely affect management of their account(s).

By directing OWA to use a specific broker or dealer, clients who are subject to ERISA confirm and agree with OWA that they have the authority to make the direction, that there are no provisions in any client or plan document which are inconsistent with the direction, that the brokerage and other goods and services provided by the broker or dealer through the brokerage transactions are provided solely to and for the benefit of the client's plan, plan participants and their beneficiaries, that the amount paid for the brokerage and other services have been determined by the client and the plan to be reasonable, that any expenses paid by the broker on behalf of the plan are expenses that the plan would otherwise be obligated to pay, and that the specific broker or dealer is not a party in interest of the client or the plan as defined under applicable ERISA regulations.

#### Aggregated Trade Policy

OWA may enter trades as a block where possible and when advantageous to clients whose accounts have a need to buy or sell shares of the same security. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rata basis between all accounts included in any such block. Block trading allows OWA to execute equity trades in a timelier, equitable manner, and may reduce overall costs to clients.

OWA will only aggregate transactions when it believes that aggregation is consistent with its duty to seek best execution (which includes the duty to seek best price) for its clients, and is consistent with the terms of OWA's Investment Advisory Agreement with each client for which trades are being aggregated. No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all OWA's transactions in a given security on a given business day, with transaction costs generally shared pro-rata based on each client's participation in the transaction. On occasion, owing to the size of a particular account's pro rata share of an order or other factors, the commission or transaction fee charged could be above or below a breakpoint in a pre-determined commission or fee schedule set

by the executing broker, and therefore transaction charges may vary slightly among accounts. Accounts may be excluded from a block due to tax considerations, client direction or other factors making the account's participation ineligible or impractical.

OWA will prepare, before entering an aggregated order, a written statement ("Allocation Statement") specifying the participating client accounts and how it intends to allocate the order among those clients. If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the Allocation Statement. If the order is partially filled, it will generally be allocated pro-rata, based on the Allocation Statement, or randomly in certain circumstances. Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment, and the reason for different allocation is explained in writing and is approved by an appropriate individual/officer of OWA. OWA's books and records will separately reflect, for each client account included in a block trade, the securities held by and bought and sold for that account. Funds and securities of clients whose orders are aggregated will be deposited with one or more banks or broker-dealers, and neither the clients' cash nor their securities will be held collectively any longer than is necessary to settle the transaction on a delivery versus payment basis; cash or securities held collectively for clients will be delivered out to the custodian bank or broker-dealer as soon as practicable following the settlement, and OWA will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation.

#### Cross Trades

From time to time, OWA may direct a "cross trade" of securities (including, without limitation, fixed income securities) between client accounts, whereby OWA arranges for one client account to purchase a security directly from another client. In such cases, OWA will seek to obtain a price for the security from one or more independent sources. OWA is not a broker-dealer and receives no compensation from a cross trade; however, the broker-dealer facilitating the cross trade normally charges administrative fees to the clients' accounts.

OWA may direct a cross trade when OWA believes that the transaction is in the best interest of the clients, that no client will be disfavored by the transaction, and that the transaction receives the best execution.

#### ***Item 13 - Review of Accounts***

Managed portfolios are reviewed at least quarterly, but may be reviewed more often if requested by the client, upon receipt of information material to the management of the portfolio, or at any time such review is deemed necessary or advisable by OWA. These factors may include but are not limited to, the following: change in general client circumstances (marriage, divorce, retirement); or economic, political or market conditions. David Craig, OWA's President, reviews all accounts.

Account custodians are responsible for providing monthly or quarterly account statements which reflect the positions (and current pricing) in each account as well as transactions in each account, including fees paid from an account. Account custodians also provide prompt confirmation of all trading activity, and year-end tax statements, such as 1099 forms. In addition, OWA provides at least an annual report for each managed portfolio. This written report normally includes a summary of portfolio holdings and performance results. Additional reports are available at the request of the client.

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

As noted above, OWA may receive some benefits from Schwab based on the amount of client assets held at Schwab. Please see ***Brokerage Practices*** for more information. However, neither Schwab nor any other party is paid to refer clients to OWA.

#### ***Item 15 - Custody***

Schwab is the custodian of nearly all client accounts at OWA. From time to time however, clients may select an alternate broker to hold accounts in custody. In any case, it is the custodian's responsibility to provide clients with confirmations of trading activity, tax forms and at least quarterly account statements. Clients are advised to review this information carefully, and to notify OWA of any questions or concerns. Clients are also asked to promptly notify OWA if the custodian fails to provide statements on each account held.

From time to time and in accordance with OWA's agreement with clients, OWA will provide additional reports. The account balances reflected on these reports should be compared to the balances shown on the brokerage statements to ensure accuracy. At times there may be small differences due to the timing of dividend reporting and pending trades.

#### ***Item 16 - Investment Discretion***

As described in the ***Advisory Business*** section, OWA will accept clients on either a discretionary or non-discretionary basis. For *discretionary accounts*, a Limited Power of Attorney ("LPOA") is executed by the client, giving OWA the authority to carry out various activities in the account, generally including the following: trade execution; the ability to request checks on behalf of the client; and, the withdrawal of advisory fees directly from the account. OWA then directs investment of the client's portfolio using its discretionary authority. The client may limit the terms of the LPOA to the extent consistent with the client's investment advisory agreement with OWA and the requirements of the client's custodian.

For *non-discretionary* accounts, the client also generally executes an LPOA, which allows OWA to carry out trade recommendations and approved actions in the portfolio. However, in accordance with the investment advisory agreement between OWA and the client, OWA does not implement trading recommendations or other actions in the account unless and until the client has approved the recommendation or action. As with discretionary accounts, clients may limit the terms of the LPOA, subject to OWA's agreement with the client and the requirements of the client's custodian.

#### ***Item 17 - Voting Client Securities***

With respect to securities selected on behalf of the client in a managed account or recommended to a client, OWA may vote proxies where required under client agreements. OWA seeks to vote proxies in the best interest of the client(s) holding the applicable securities. In voting proxies, OWA considers factors that OWA believes relate to the client's investment(s) and factors, if any, that are set forth in written instructions from the client.

In general, OWA believes that voting proxies in accordance with the following guidelines, with respect to such routine items, is in the best interests of our clients. Accordingly, OWA generally votes **for**:

- The election of directors (where no corporate governance issues are implicated);

- Proposals that strengthen the shared interests of shareholders and management;
- The selection of independent auditors based on management or director recommendation, unless a conflict of interest is perceived;
- Proposals that OWA believes may lead to an increase in shareholder value;
- Management recommendations adding or amending indemnification provisions in charter or by-laws; and
- Proposals that maintain or increase the rights of shareholders.

OWA will generally vote **against** any proposals that OWA believes will have a negative impact on shareholder value or rights. If OWA perceives a conflict of interest, OWA's policy is to notify affected clients so that they may choose the course of action they deem most appropriate.

A copy of our complete policy, as well as records of proxies voted; are available to clients upon request. As required under the Advisers Act, such records are maintained for a period of five (5) years.

***Item 18 - Financial Information***

OWA does not require nor solicit prepayment of more than \$500 in fees per client, six months or more in advance, and therefore has no disclosure required for this item.

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

As the principal executive officer and management person of OWA, David Craig's background information is provided elsewhere in this Form ADV. Other than this, no disclosure is required under this item.

**Brochure Supplement for**  
**David C. Craig**  
**CRD# 2070323**  
**of**  
**October Wealth Advisors, Inc.**

322 North 8<sup>th</sup> Street  
Fort Smith, Arkansas 72901

(479) 452-0996

April 30, 2012

This brochure supplement provides information about David Craig, and supplements the October Wealth Advisors, Inc. ("OWA") brochure. You should have received a copy of that brochure. Please contact OWA at (479) 452-0996 if you did not receive OWA's brochure, or if you have any questions about the contents of this supplement.

Additional information about David Craig is available on the SEC's website at  
**[www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov)**.

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***Educational Background and Business Experience***

David C. Craig (year of birth 1955) is the President of October Wealth Advisors, Inc. Prior to forming OWA in 2010, David had been a Partner and Chief Compliance Officer with Paul Manners & Associates, Inc., where he managed the Fort Smith office from 1995 until 2010. David also worked at October Money Management, located in Fort Smith, Arkansas from 1990 to 1995. Prior to, and during his stay at October Money Management, David taught Economics, Finance and Statistics at the University of Arkansas Fort Smith and was a Bank Officer for Merchants National Bank of Fort Smith. David earned his Bachelor and Master degrees from the University of Arkansas.

David has served as the Chairman of the Board of the Arkansas Student Loan Authority and has been a member of this board since 1988, appointed by then-Governor Bill Clinton. David has been the president of the Fort Smith Community Foundation (an affiliate of the Arkansas Community Foundation), Fort Smith Chorale, Bonneville House Association, treasurer of Leadership Fort Smith Alumni Association (class member in 1990), and was recognized with the community service award from the Fort Smith Chamber Commerce in 2009.

***Disciplinary Information***

There is no disciplinary information to report regarding David.

***Other Business Activities***

David is not engaged in any other business activities.

***Additional Compensation***

David has no other income or compensation to disclose.

***Supervision***

As the sole owner of OWA, David Craig supervises all duties and activities of the firm, and is responsible for all advice provided to clients. His contact information is on the cover page of this disclosure document.

***State Requirements for State-Registered Advisers***

David has no event to disclose with respect to this item.