

Disclosure Brochure

December 3, 2012

Allabastion Wealth Advisors, Inc.

A Registered Investment Adviser

This brochure provides information about the qualifications and business practices of Allabastion Wealth Advisors, Inc. (hereinafter "AWA"). If you have any questions about the contents of this brochure, please contact David B. Mirsky at (585) 264-1658. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Allabastion Wealth Advisors, Inc. is available on the SEC's website at www.adviserinfo.sec.gov.

Allabastion Wealth Advisors, Inc. is an SEC registered investment adviser. Registration does not imply any level of skill or training.

130C Linden Oaks, Rochester, NY 14625 | (585) 264-1658

Item 2. Material Changes

This Item discusses only the material changes that have occurred since AWA's last annual update. There are no material changes to report at this time.

Item 3. Table of Contents

Firm Disclosure Brochure

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

Supervised Person Brochure Supplement(s)

Item 4. Advisory Business

AWA (also referred to as the “firm”) provides financial planning, consulting, and investment management services to clients. AWA was formed in October 2012 and is currently owned by its Principal, David B. Mirsky. Since the firm has not yet begun to provide any advisory services, it does not yet have any assets under management to report.

Prior to engaging AWA to provide any of the foregoing investment advisory services, the client is required to enter into one or more written agreements with the firm setting forth the terms and conditions under which AWA renders its services (collectively the “*Agreement*”).

This Disclosure Brochure describes the business of AWA. Certain sections will also describe the activities of *Supervised Persons*. *Supervised Persons* are any of AWA’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on AWA’s behalf and is subject to the firm’s supervision or control.

Financial Planning and Consulting Services

AWA may provide its clients with a broad range of comprehensive financial planning and consulting services. These services may include, but are not limited to, the following:

- Investment Consulting
- Cash Flow Analysis
- Tax Planning and Preparation
- Retirement Planning
- Estate Planning & Elder Care Consulting
- Asset Allocation & Net Worth Monitoring
- Insurance & Risk Management Analysis
- Education Planning
- Business Planning & Benefits Consulting

The firm may provide these services on a stand-alone basis or may include them as part of its overall investment management services (described below).

In performing its services, AWA is not required to verify any information received from the client or from the client’s other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. AWA may recommend the services of itself, its *Supervised Persons* in their individual capacities as registered representatives of a broker-dealer, and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if the firm recommends its own services. The client is under no obligation to act upon any of the recommendations made by AWA under a financial planning or consulting engagement or to engage the services of any such recommended professional, including AWA itself. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of the firm’s recommendations. Clients are advised that it

remains their responsibility to promptly notify AWA if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising the firm's previous recommendations and/or services.

Investment Management Services

Clients can engage AWA to manage all or a portion of their assets on a discretionary basis. As stated above, the firm may include certain financial planning and/or other services as part of its overall investment management offering.

For those clients that engage AWA to provide investment management services, the firm primarily allocates clients' assets among exchange-traded funds ("ETFs") and mutual funds. On a more limited basis, the firm may recommend or utilize individual debt and equity securities and *Independent Managers* (as defined below) in accordance with the investment objectives of the client. When appropriate and desirable, AWA will also research and offer advice pertaining to other types of investments as needed to meet a client's needs.

AWA also may render investment management services to clients relative to variable life/annuity products that they may own, their individual employer-sponsored retirement plans, 529 plans or other products that may not be held by the client's primary custodian. In so doing, the firm either directs or recommends the allocation of client assets among the various investment options that are available with the product. Client assets are generally maintained at the specific insurance company or custodian designated by the product.

AWA seeks to tailor its advisory services to the individual needs of its clients. AWA consults with clients initially and on an ongoing basis to determine suitability, risk tolerance, time horizon and other factors that may impact the clients' investment needs. The firm may develop an investment policy statement ("IPS") depending on the particular needs of the client.

Clients are advised to promptly notify AWA if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon the firm's management services. Clients may impose reasonable restrictions or mandates on the management of their account (e.g., require that a portion of their assets be invested in socially responsible funds) if, in AWA's sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to its management efforts.

Use of Independent Managers

In limited circumstances, AWA may recommend that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain independent investment managers ("*Independent Managers*"), based upon the stated investment objectives of the client. The terms and conditions under which the client engages the *Independent Managers* may be set forth in a separate

written agreement between AWA or the client and the designated *Independent Managers*. In these types of situations, the firm renders services to the client relative to the discretionary selection of *Independent Managers*. AWA also monitors and reviews the account performance and the client's investment objectives. AWA receives an annual advisory fee which is based upon a percentage of the market value of the assets being managed by the designated *Independent Managers*.

When selecting an *Independent Manager* for a client, AWA reviews information about the *Independent Manager* such as its disclosure brochure and/or material supplied by the *Independent Manager* or independent third parties for a description of the *Independent Manager's* investment strategies, past performance and risk results to the extent available. Factors that AWA considers in selecting an *Independent Manager* include the client's stated investment objectives, management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by the designated *Independent Managers*, together with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets, may be exclusive of, and in addition to, the firm's investment advisory fee set forth above. As discussed above, the client may incur additional fees than those charged by AWA, the designated *Independent Managers*, and corresponding broker-dealer and custodian.

Item 5. Fees and Compensation

AWA offers its services on a fee basis, which may include fixed fees as well as fees based upon assets under management. Additionally, certain of AWA's *Supervised Persons*, in their individual capacities, may offer securities brokerage services and insurance products under a commission arrangement.

Financial Planning and Consulting Fees

AWA generally charges a fixed fee for financial planning and consulting services. These fees are negotiable, but generally range from \$1,000 to \$10,000, depending upon the level and scope of the services and the professional rendering the financial planning and/or the consulting services. If the client engages AWA for additional investment advisory services (such as discretionary investment management), the firm may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

Prior to engaging AWA to provide financial planning and/or consulting services, the client is required to enter into a written agreement with AWA setting forth the terms and conditions of the engagement. Generally, AWA requires one-half of the financial planning / consulting fee (estimated fixed) payable upon entering the written agreement. The balance is generally due upon delivery of the financial plan or completion of the agreed upon services.

Investment Management Fee

AWA generally provides its investment management services for an annual fee based upon a percentage of the market value of the assets being managed by AWA. AWA's annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. AWA does not, however, receive any portion of these commissions, fees, and costs. The firm's annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by AWA on the last day of the previous quarter. The annual fee varies depending upon the market value of the assets under management, excluding any specialized investment accounts as identified below, as follows:

<u>PORTFOLIO VALUE</u>	<u>BASE FEE</u>
up to \$1,000,000	1.00%
\$1,000,000 - \$3,000,000	0.80%
\$3,000,000 - \$4,000,000	0.60%
\$4,000,000 - \$5,000,000	0.50%
above \$5,000,000	0.40%

Clients who have specialized investment services needs (including clients who are invested primarily in fixed income or money market only accounts) may be subject to a different fee schedule which will be negotiated with the client. Moreover, AWA, in its sole discretion, may negotiate to charge a lesser management fee 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, pre-existing/ legacy client, account retention, charitable and *pro bono* activities, etc.).

Fees Charged by Financial Institutions

As further discussed in response to Item 12 (below), AWA generally recommends that clients utilize the brokerage and clearing services of an independent broker-dealer for investment management accounts.

The firm may only implement its investment management recommendations after the client has arranged for and furnished AWA with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to, any broker-dealers recommended by AWA, broker-dealers directed by the client, trust companies, banks etc. (collectively referred to herein as the "*Financial Institutions*").

Clients may incur certain charges imposed by the *Financial Institutions* and other third parties such as fees charged by *Independent Managers*, custodial fees, charges imposed directly by a mutual fund or ETF in the account, which are disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), 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. Additionally, for

assets outside of any wrap fee programs, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to AWA's fee.

AWA's *Agreement* and the separate agreement with any *Financial Institutions* may authorize AWA or *Independent Managers* to debit the client's account for the amount of the firm's fee and to directly remit that management fee to AWA or the *Independent Managers*. Any *Financial Institutions* recommended by AWA have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to the firm. Alternatively, clients may elect to have AWA send an invoice for payment.

Fees for Management During Partial Quarters of Service

For the initial period of investment management services, the fees are calculated on a *pro rata* basis. The *Agreement* between AWA and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. Specifically, the *Agreement* may be terminated at any time upon receipt of thirty (30) days written notice. The firm's fees are prorated through the effective date of termination and any remaining balance is charged or refunded to the client, as appropriate.

Clients may make additions to and withdrawals from their account at any time, subject to AWA's right to terminate an account. If assets are deposited into or withdrawn from an account after the inception of a quarter, the fee payable with respect to such assets will be prorated based on the number of days remaining in the quarter. Additions may be in cash or securities provided that AWA reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to AWA, subject to the usual and customary securities settlement procedures. However, AWA designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. AWA may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

Commissions or Sales Charges for Recommendations of Securities

Clients can engage certain persons associated with AWA (but not AWA) to render securities brokerage services under a commission arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with the firm. Under this arrangement, clients may implement securities transactions through certain of AWA's *Supervised Persons* in their respective individual capacities as registered representatives of Leigh Baldwin & Co., an SEC registered broker-dealer and member of FINRA. Leigh Baldwin & Co. may charge brokerage commissions to effect these securities transactions and thereafter, a portion of these commissions may be paid by Leigh Baldwin & Co. to such *Supervised Persons*. Prior to effecting any transactions clients are required to enter into a new account agreement with Leigh Baldwin & Co. The brokerage commissions charged by Leigh Baldwin & Co. may

be higher or lower than those charged by other broker-dealers. In addition, certain of AWA's *Supervised Persons* may also receive ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that the client maintains the mutual fund investment.

A conflict of interest exists to the extent that AWA recommends the purchase of securities where the firm's *Supervised Persons* receive commissions or other additional compensation as a result of AWA's recommendations. AWA has procedures in place to ensure that any recommendations made by such *Supervised Persons* are in the best interest of clients.

For accounts covered by ERISA (and such others that AWA, in its sole discretion deems appropriate), the firm provides its investment advisory services on a fee-offset basis. In this scenario, AWA may offset its fees by an amount equal to the aggregate commissions and 12b-1 fees earned by the firm's *Supervised Persons* in their individual capacities as registered representatives of Leigh Baldwin & Co.

Item 6. Performance-Based Fees and Side-by-Side Management

AWA does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7. Types of Clients

AWA may provide services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

Minimum Fee

As a condition for starting and maintaining a relationship, AWA generally imposes a minimum annual fee of \$2,000. This minimum fee may have the effect of making AWA's service impractical for clients, particularly those with portfolios less than \$200,000 under the firm's management. AWA, in its sole discretion, may waive its minimum annual fee based upon certain criteria including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, and *pro bono* activities.

Additionally, certain *Independent Managers* may impose more restrictive account requirements and varying billing practices than AWA. In such instances, the firm may alter its corresponding account requirements and/or billing practices to accommodate those of the *Independent Managers*.

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

Methods of Analysis

AWA's primary methods of analysis are fundamental, technical and cyclical analysis.

Fundamental analysis involves the fundamental financial condition and competitive position of a company. AWA will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

Technical analysis involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that AWA will be able to accurately predict such a reoccurrence.

Cyclical analysis is similar to technical analysis in that it involves the analysis of market conditions at a macro (entire market/economy) or micro (company specific) level, rather than the overall fundamental analysis of the health of the particular company that AWA is recommending. The risks with cyclical analysis are similar to those of technical analysis.

Investment Strategies

For investment management clients, the firm generally utilizes customized strategies aimed at meeting a client's investment objectives. AWA consults with clients initially and on an ongoing basis to determine suitability, risk tolerance, time horizon and other factors that may impact the clients' investment needs. The firm may develop an IPS for the client as needed.

The firm primarily allocates clients' assets among ETFs and no-load mutual funds. On a more limited basis, the firm may recommend or utilize individual debt and equity securities and *Independent Managers* in accordance with the investment objectives of the client. When appropriate and desirable, AWA will also research and offer advice pertaining to other types of investments as needed to meet a client's needs.

The firm is focused on matching the appropriate asset allocation to the client's needs. The firm also plans to periodically rebalance based upon market movements.

Risks of Loss

ETFs and Mutual Funds

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of open-ended mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. Therefore, trading prices of a mutual fund's shares may differ significantly from the NAV during periods of daily market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist.

Market Risks

The profitability of a portion of AWA's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that the firm will be able to predict those price movements accurately.

Use of Independent Managers

As stated above, on a limited basis, AWA may recommend the use of *Independent Managers* for certain clients. The firm will continue to do ongoing due diligence of such managers, but such recommendations rely, to a great extent, on the *Independent Managers* ability to successfully implement their investment strategy. In addition, AWA does not have the ability to supervise the *Independent Managers* on a day-to-day basis other than as previously described in response to Item 4, above.

Management Through Similarly Managed Accounts

AWA may manage portfolios by allocating portfolio assets among various mutual funds or other securities on a discretionary basis using one or more of its proprietary investment strategies (collectively referred to

as “*investment strategy*”). In so doing, AWA buys, sells, exchanges and/or transfers shares of these securities based upon the *investment strategy*.

AWA’s management using the *investment strategy* complies with the requirements of Rule 3a-4 of the Investment Company Act of 1940, as amended. Rule 3a-4 provides similarly managed accounts, such as the *investment strategy*, with a safe harbor from the definition of an investment company.

While the firm does seek to offer tax-efficient strategies for clients, securities in the *investment strategy* may be exchanged and/or transferred notwithstanding a client’s individual tax ramifications. Certain investment opportunities that become available to AWA’s clients may be limited. For example, various mutual funds or insurance companies may limit the ability of AWA to buy, sell, exchange or transfer securities consistent with its *investment strategy*. As further discussed in response to Item 12 (below), AWA seeks to allocate investment opportunities among its clients on a fair and equitable basis.

General Risk of Loss

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

Item 9. Disciplinary Information

AWA is required to disclose the facts of any legal or disciplinary events that are material to a client’s evaluation of AWA’s advisory business or the integrity of management. AWA does not have any required disclosures to this Item.

Item 10. Other Financial Industry Activities and Affiliations

AWA is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. The firm has described such relationships and arrangements below:

Registered Representatives of Broker Dealer

As discussed above in Item 5, certain of AWA’s *Supervised Persons* are registered representatives of Leigh Baldwin & Co.

Receipt of Insurance Commission

Certain of AWA’s *Supervised Persons*, in their individual capacities, are also licensed insurance agents with various insurance companies, and in such capacity, may recommend, on a fully-disclosed commission basis, the purchase of certain insurance products. While the firm does not sell such insurance products to its investment advisory clients, AWA does permit its *Supervised Persons*, in their individual capacities as licensed insurance agents, to sell insurance products to its investment advisory

clients. A conflict of interest exists to the extent that the firm recommends the purchase of insurance products where AWA's *Supervised Persons* receive insurance commissions or other additional compensation.

Related Certified Public Accountants and Referrals to Third Parties

The firm may provide certain tax planning and tax preparation services to its advisory clients. These services may be provided by one of the firm's *Supervised Persons* that is licensed as a Certified Public Accountant ("CPA"). A conflict of interest exists to the extent that the firm recommends the services of its affiliated CPAs where the firm or these individuals receive additional compensation. The client is under no obligation to utilize the tax planning and tax preparation services of AWA, and may select another professional to perform these services.

On a limited basis, AWA may also refer advisory clients to unaffiliated CPAs for more complex accounting services. The firm does not collect a fee for these third-party referrals.

Related Attorney

One of the firm's *Supervised Persons*, Bernard L. Salamone, is a licensed practicing attorney admitted to the Bar of the State of New York. Mr. Salamone maintains a legal practice, separate and distinct from AWA's investment advisory activities. No advisory services rendered by AWA to clients should be interpreted as legal advice.

AWA may, from time to time, recommend certain of its clients utilize the services of Mr. Salamone for various legal services. Mr. Salamone shall render these services independently of AWA. AWA shall not receive any portion of the fees charged (referral or otherwise) by him for the services rendered.

Business Relationship With Other Investment Adviser

In addition to the services mentioned herein, AWA maintains a strategic alliance with another registered investment adviser, John G. Ullman & Associates, Inc. Specifically, AWA has been engaged by John G. Ullman & Associates, Inc. to provide certain financial and tax planning services its advisory clients. AWA is entitled to receive a portion of the fees charged by John G. Ullman & Associates, Inc. for the services rendered.

Item 11. Code of Ethics

AWA and persons associated with AWA ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with AWA's policies and procedures.

AWA has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("*Code of Ethics*"). AWA's *Code of*

Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by AWA or any of its associated persons. The *Code of Ethics* also requires that certain of AWA's personnel (called "*Access Persons*") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

When AWA is engaging in or considering a transaction in any security on behalf of a client, no *Access Person* may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the *Access Person*) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the *Access Person* is completed as part of a batch trade (as defined below in Item 12) with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

This *Code of Ethics* has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by *Access Persons* to be completed without any appreciable impact on the markets of such securities. Therefore, under certain limited circumstances, exceptions may be made to the policies stated above.

Clients and prospective clients may contact AWA to request a copy of its *Code of Ethics*.

Item 12. Brokerage Practices

Currently, AWA generally recommends that clients utilize the brokerage and clearing services of Fidelity Institutional Wealth Services ("*Fidelity*") for investment management accounts.

Factors which AWA considers in recommending *Fidelity* or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. *Fidelity* enables AWA to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by *Fidelity* may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by AWA's clients comply with AWA's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where AWA determines that the commissions are reasonable in relation to the value of

the brokerage and research 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 a *Financial Institution's* services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. AWA seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

AWA periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

The client may direct AWA in writing to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that *Financial Institution*, and AWA will not seek better execution services or prices from other *Financial Institutions* or be able to "batch" client transactions for execution through other *Financial Institutions* with orders for other accounts managed by AWA (as described below). As a result, the 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. Subject to its duty of best execution, AWA may decline a client's request to direct brokerage if, in AWA's sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers (as further discussed below).

Transactions for each client generally will be effected independently, unless AWA decides to purchase or sell the same securities for several clients at approximately the same time. AWA 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 AWA's clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among AWA's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that AWA determines to aggregate client orders for the purchase or sale of securities, including securities in which AWA's *Supervised Persons* may invest, AWA generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. AWA does not receive any additional compensation or remuneration as a result of the aggregation. In the event that AWA determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to

unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, AWA may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist AWA in its investment decision-making process. Such research generally will be used to service all of AWA's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because AWA does not have to produce or pay for the products or services.

Commissions or Sales Charges for Recommendations of Securities

As discussed above, certain *Supervised Persons* in their respective individual capacities, are registered representatives of Leigh Baldwin & Co. These *Supervised Persons* are subject to FINRA Rule 3040 which restricts registered representatives from conducting securities transactions away from their broker-dealer unless Leigh Baldwin & Co. provides written consent. Therefore, clients are advised that certain *Supervised Persons* may be restricted to conducting securities transactions through Leigh Baldwin & Co. unless they first secure written consent from that firm to execute securities transactions through a different broker-dealer. Absent such written consent or separation from Leigh Baldwin & Co., these *Supervised Persons* are prohibited from executing securities transactions through any broker-dealer other than Leigh Baldwin & Co. under that broker-dealer's internal supervisory policies. AWA is cognizant of its duty to obtain best execution and has implemented policies and procedures reasonably designed in such pursuit.

Software and Support Provided by Financial Institutions

AWA may receive from *Fidelity*, without cost to AWA, computer software and related systems support, which allow AWA to better monitor client accounts maintained at *Fidelity*. AWA may receive the software and related support without cost because AWA renders investment management services to clients that maintain assets at *Fidelity*. The software and support is not provided in connection with securities transactions of clients (i.e. not "soft dollars"). The software and related systems support may benefit AWA, but not its clients directly. In fulfilling its duties to its clients, AWA endeavors at all times to put the interests of its clients first. Clients should be aware, however, that AWA's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence AWA's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Additionally, AWA may receive the following benefits from *Fidelity* through the Fidelity Institutional Wealth Services Group: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Institutional Wealth Services Group participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

Item 13. Review of Accounts

For those clients to whom AWA provides investment management services, AWA monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those clients to whom AWA only provides financial planning and/or consulting services, reviews are conducted on an “as needed” basis. Such reviews are generally conducted by the firm’s Investment Committee and/or one of AWA’s investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with the firm and to keep AWA informed of any changes thereto. AWA contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client’s financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom AWA provides investment advisory services will also receive a report from the firm that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance as clients may request from time to time. Clients should compare the account statements they receive from their custodian with those they receive from AWA.

Those clients to whom AWA provides only financial planning and/or consulting services will receive reports from AWA summarizing its analysis and conclusions as requested by the client or as otherwise agreed to in writing by the firm.

Item 14. Client Referrals and Other Compensation

AWA is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. In addition, AWA is required to disclose any direct or indirect compensation that it provides for client referrals. These types of relationship may pose a conflict of interest and any such relationship has already been disclosed in response to Items 10 and 12, above.

Item 15. Custody

AWA's *Agreement* and/or the separate agreement with any *Financial Institution* may authorize AWA through such *Financial Institution* to debit the client's account for the amount of AWA's fee and to directly remit that management fee to AWA in accordance with applicable custody rules.

The *Financial Institutions* recommended by AWA have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to AWA. In addition, as discussed in Item 13, AWA may also send periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the *Financial Institutions* and compare them to those received from AWA.

Item 16. Investment Discretion

AWA may be given the authority to exercise discretion on behalf of clients. AWA is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. AWA is given this authority through a power-of-attorney included in the agreement between AWA and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). AWA may take discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and
- The *Independent Managers* to be hired or fired.

Item 17. Voting Client Securities

AWA is required to disclose if it accepts authority to vote client securities. The firm does not vote client securities on behalf of its clients. Clients receive proxies directly from the *Financial Institutions*.

Item 18. Financial Information

AWA does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance. In addition, AWA is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. AWA has no disclosures pursuant to this Item.

Allabastion Wealth Advisors, Inc.
A Registered Investment Adviser

Prepared by:

