

Barnes-Petty Financial Advisors, LLC

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**FORM ADV PART 2A
BROCHURE**

This brochure provides information about the qualifications and business practices of Barnes-Petty Financial Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (662) 627-2225. 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 Barnes-Petty Financial Advisors, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Barnes-Petty Financial Advisors, LLC is 142944.

Barnes-Pettey Financial Advisors, LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2 Summary of Material Changes

The following is a Summary of the Material Changes to the Part 2A disclosure brochure for Barnes-Pettey Financial Advisors, LLC which have occurred since the filing of our last annual updating amendment on February 29, 2012.

For IMAPC accounts, we added an alternate fee schedule as stated below.

| Account Value | Annualized Fee** |
|---------------------------|-------------------------|
| 0 - \$200,000 | 1.25% |
| \$200,000 - \$1,000,000 | 1.00% |
| \$1,000,000 - \$2,000,000 | 0.75% |
| \$2,000,000 - \$3,000,000 | 0.65% |
| \$3,000,000 - \$4,000,000 | 0.55% |
| \$4,000,000 - \$5,000,000 | 0.50% |
| Over \$ 5,000,000 | 0.40% |

**The entire balance will be charged a flat fee based on the above fee schedule.

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Item 4 Advisory Business

Barnes-Petty Financial Advisors, LLC is a registered investment adviser based in Clarksdale, Mississippi. We also maintain branch offices in Grenada, Mississippi, Memphis, Tennessee, and Oxford Mississippi. We are organized as a limited liability company under the laws of the State of Mississippi and we have been providing investment advisory services since 2007. Dudley M. Barnes, Holmes S. Petty, Glenn W. Cofield, Gerald A. Smith and Richard L. Devoe are our principal owners.

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm. We refer to Associated Persons who provide investment advice as Investment Adviser Representatives ("IARs") or Advisory Representatives throughout this Brochure. As used in this brochure, the words "we", "our" and "us" refer to Barnes-Petty Financial Advisors, LLC and our IARs. The words "you", "your" and "client" refer to you as either a client or prospective client of our firm.

We provide analysis and recommendations involving a broad range of personal concerns based on your individual needs and circumstances. An important aspect of this service involves giving advice on the selection and management of investments. Based upon your objectives, guidelines and financial situation we may determine that you are suitable for investment management as discussed below.

Investment Management Program for Advisory Clients (IMPAC)

Account minimum: \$25,000

IMPAC is a fee based account, offered and administered through RJFS, in which you are provided with ongoing investment advice and monitoring of securities holdings. The Investment Adviser Representative ("IAR") will manage the account on a non-discretionary basis (or discretionary, provided certain qualifications are met), according to your objectives. Mutual funds incur expenses for portfolio management services and fund administrative services. These expenses are disclosed in the mutual fund prospectus.

Clients will be charged according to one of the following two fee schedules:

| Account Value | Annualized Fee** |
|-------------------|------------------|
| First \$ 200,000 | 1.25% |
| Next \$ 800,000 | 1.00% |
| Next \$ 1,000,000 | 0.75% |
| Next \$ 1,000,000 | 0.65% |
| Next \$ 1,000,000 | 0.55% |
| Next \$ 1,000,000 | 0.50% |
| Over \$ 5,000,000 | 0.40% |

** The fee schedule is blended meaning that you will be charged the corresponding fee based upon the value of your account at each tier.

| Account Value | Annualized Fee** |
|---------------------------|-------------------------|
| 0 - \$200,000 | 1.25% |
| \$200,000 - \$1,000,000 | 1.00% |
| \$1,000,000 - \$2,000,000 | 0.75% |
| \$2,000,000 - \$3,000,000 | 0.65% |
| \$3,000,000 - \$4,000,000 | 0.55% |
| \$4,000,000 - \$5,000,000 | 0.50% |
| Over \$ 5,000,000 | 0.40% |

**The entire balance will be charged a flat fee based on the above fee schedule.

Our fees are negotiable and some clients, including existing clients of the firm, may pay different/higher fees and/or may pay a flat percentage fee in lieu of a tiered fee schedule. The annual asset-based fee is paid quarterly in advance or arrears, as outlined in the Investment Advisory Agreement. For accounts billed in advance, the asset-based fee is billed when the account is opened for the remainder of the current billing period, prorated the following quarter and is based on the initial contribution. Thereafter, the quarterly asset-based fee is paid in advance, and is based on the account asset value on the last business day of the previous calendar quarter, and becomes due the following business day. For accounts billed in arrears, the asset-based fee is calculated on the account asset value on the last business day of the quarter for the previous quarter. You authorize and direct RJA to act as Custodian to deduct asset-based fees from your account. You further authorize and direct the Custodian to send a quarterly statement to you which shows all amounts disbursed from your account, including fees paid to us. You understand that the brokerage statement will show the amount of the asset-based fee, the value of the assets on which the fee was based, and the specific manner in which the fee was calculated.

Additionally, there is a nominal Processing Fee for the execution of each trade, as follows:

| SECURITY TYPE | PROCESSING FEE |
|--|-----------------------|
| Exchange Traded Equities: Listed and OTC | \$30 |
| Closed End Mutual Funds | \$30 |
| Exchange Traded Funds | \$30 |
| Mutual Funds | \$30 |
| Real Estate Investment Trusts/Unit Investment Trusts | \$30 |
| Preferred Stocks | \$50 |
| Options Contracts | \$50 |
| Bonds | \$50 |

In addition to the foregoing transaction charge, you will incur a charge in the amount of \$4.00 per transaction for handling and postage charges. You may also incur charges for other account services provided by RJA not directly related to the execution and clearing of transactions including, but not limited to, IRA custodial fees, safekeeping fees, interest charges on margin loans, and fees for legal or courtesy transfers of securities.

Clients can purchase certain mutual funds directly from the fund without incurring a Processing Fee.

* Effective March 1, 2011, select fund companies have agreed to pay administrative fees to Raymond James in consideration for Raymond James's waiver of the \$30 Processing Fee assessed on certain Passport Account mutual fund purchases ("Participating Funds"). Please refer to Suggestion of Brokers Section below for additional information regarding Participating Funds.

You may terminate the Investment Management Agreement at any time upon providing written notice pursuant to the provisions of the Investment Management Agreement. There is no penalty for terminating your account. Upon termination, you will receive a refund of the portion of the prepaid asset-based fee which is not utilized for accounts billed in advance. For accounts billed in arrears, you may be charged a fee pursuant to the number of days the account was managed for the current quarter.

PASSPORT

The Passport Account ("Passport") is an investment advisory account, administered by Raymond James and Associates, Inc. ("RJA"), which offers you, on a non-discretionary basis (or discretionary, provided certain qualifications are met), the ability to pay an advisory fee on the assets in your account and a nominal transaction charge in lieu of a commission for each transaction. These services are offered nationwide in all fifty states, the District of Columbia and Puerto Rico.

Generally, your Investment Adviser Representative will provide investment advice on a non-discretionary basis. There is a minimum investment of \$25,000 for PASSPORT Accounts, although smaller accounts may be accepted based upon the specific circumstances of an account. The advisory fees for PASSPORT Accounts are as follows:

BLENDDED RATE FEE SCHEDULE

PASSPORT Fee Investments:

| Account Value | Total Fee |
|------------------|------------|
| First \$200,000 | 1.75% |
| Next \$300,000 | 1.50% |
| Next \$500,000 | 1.00% |
| Over \$1,000,000 | 1.00% |
| Over \$5,000,000 | Negotiable |

THREE TIER ASSET CLASS FEE SCHEDULE

PASSPORT Fee Investments Excluding Open-Ended Mutual Funds, Cash and Bonds:

| Account Value | Total Fee |
|------------------|-----------|
| First \$200,000 | 2.00% |
| Next \$300,000 | 1.50% |
| Next \$500,000 | 1.00% |
| Over \$1,000,000 | 1.00% |

PASSPORT Fee Investment Open-End Mutual Funds and Cash

| | |
|------------------|-------|
| First \$100,000 | 1.75% |
| Next \$100,000 | 1.50% |
| Next \$300,000 | 1.25% |
| Next \$500,000 | 0.75% |
| Over \$1,000,000 | 0.75% |

PASSPORT Fee Investment Open-End Mutual Funds and Cash

| | |
|------------------|-------|
| First \$100,000 | 1.75% |
| Next \$100,000 | 1.50% |
| Next \$300,000 | 1.25% |
| Next \$500,000 | 0.75% |
| Over \$1,000,000 | 0.75% |

PASSPORT Fee Investment Bonds:

| | |
|------------------|------------|
| First \$100,000 | 1.50% |
| Next \$100,000 | 1.20% |
| Next \$300,000 | 1.00% |
| Next \$500,000 | 0.75% |
| Over \$1,000,000 | 0.75% |
| Over \$5,000,000 | Negotiable |

The annual asset-based fee is paid quarterly in advance. When an account is opened, the asset-based fee is billed for the remainder of the current billing period and is based on the initial contribution.

Thereafter, the quarterly asset-based fee is paid in advance, is based on the account asset value on the last business day of the previous calendar quarter, and becomes due the following business day. You authorize and direct RJA as Custodian to deduct asset-based fees from your account; you further authorize and direct the Custodian to send a quarterly statement to you which shows all amounts disbursed from your account, including advisor fees paid to us. The brokerage statement will show the amount of the asset-based fee, the value of the assets on which the fee was based, and the specific manner in which the fee was calculated.

Additionally, there is a nominal Processing Fee for the execution of each trade, as follows:

| SECURITY TYPE | PROCESSING FEE |
|--|-----------------------|
| Exchange Traded Equities: Listed and OTC | \$30 |
| Closed End Mutual Funds | \$30 |
| Exchange Traded Funds | \$30 |
| Mutual Funds | \$30 |
| Real Estate Investment Trusts/Unit Investment Trusts | \$30 |
| Preferred Stocks | \$50 |
| Options Contracts | \$50 |
| Bonds | \$50 |

In addition to the foregoing transaction charge, you will incur a charge in the amount of \$4.00 per transaction for handling and postage charges. You may also incur charges for other account services provided by RJA not directly related to the execution and clearing of transactions including, but not limited to, IRA custodial fees, safekeeping fees, interest charges on margin loans, and fees for legal or courtesy transfers of securities.

Clients can purchase certain mutual funds directly from the fund without incurring a Processing Fee.

* Effective March 1, 2011, select fund companies have agreed to pay administrative fees to Raymond James in consideration for Raymond James's waiver of the \$30 Processing Fee assessed on certain Passport Account mutual fund purchases ("Participating Funds"). Please refer to Suggestion of Brokers Section below for additional information regarding Participating Funds.

You may terminate the Client Agreement at any time upon providing notice pursuant to the provisions of Client Agreement. In the event of termination of this Agreement, we will refund to you the prorated portion of the fee for the quarter of termination.

FREEDOM ACCOUNT

The FREEDOM Account ("FREEDOM") is an investment advisory account which allocates Client assets, through discretionary mutual fund or exchange traded fund ("ETF") management, based upon their financial objectives and risk tolerances.

You appoint Raymond James as your investment adviser in selecting a compatible investment strategy developed by the AMS Investment Committee, and in recommending, selecting and monitoring affiliated and unaffiliated open-end mutual funds with which Raymond James has entered into a selling agreement with the fund company, or exchange-traded funds, as the client may select. These services are offered nationwide in all fifty states, the District of Columbia, and Puerto Rico.

You will complete a Client Profile setting forth their investment objectives, financial situation, time horizon, risk tolerance, investment restrictions, and any additional instructions. Raymond James relies on the financial and other information provided by you, and you agree to inform Raymond James of any material change in the information provided in the Profile or in your financial circumstances which might affect the manner in which their assets are invested. Raymond James' recommendation of a Strategy to you will be based on Raymond James' determination that the Strategy chosen by you is consistent with your investment objectives as stated in the Profile. Your Investment Adviser Representative provides assistance in evaluating available Strategies to determine suitability, but ultimately it is you that chooses the most appropriate Strategy to meet your needs.

Leveraging off the research performed by AMS Manager Research & Due Diligence, the AMS Investment Committee constructs multiple investment Strategies comprised of a combination of Funds or, if selected by you, ETFs representing a broad array of asset classes and investment styles. The AMS Investment Committee identifies asset classes and investment styles that perform differently under varying market conditions, yet are complementary to one another. The composition of a given Strategy may include domestic and international equity and fixed income Funds/ETFs, as well as real estate investment trusts and commodity Funds/ETFs to enhance diversification. Strategies available in the FREEDOM Program include: Aggressive Equity, Growth Equity, Balanced with Growth, Balanced, Conservative Balanced, High Income, Conservative and Early, Mid and Senior Retirement Income Solution strategies. In addition, tax free Municipal Fund portfolios are available in the Conservative Balanced, Balanced and Balanced with Growth Strategies. Target allocations for the above Strategies are available upon request through your financial advisor.

The target allocation of the above Strategies applies at the time you establish a FREEDOM account. Additions to and withdrawals from an account will generally be invested based on the target allocation. Fluctuations in the market value of securities, as well as other factors, however, will affect the actual asset allocation at any given time. Raymond James will annually rebalance your account, based on the anniversary date of its establishment, if at such time the actual asset allocation varies by more than certain predetermined percentages from the target allocation, as established by the AMS Investment Committee. Raymond James may rebalance an account upon your request. The AMS Investment Committee reserves the right to modify the target allocation based on changes to its capital markets outlook.

There is a minimum investment of \$100,000 for FREEDOM Retirement Income Solution Strategies, and \$50,000 for all other Strategies, although smaller accounts may be accepted based on the specific circumstances of an account.

Upon your selection of a Strategy, you authorize Raymond James to assume all investment duties with respect to assets held in your FREEDOM account and shall have sole investment authority with respect to such assets. Raymond James will thereafter invest and reinvest the assets of each account, based upon the Strategy selected by you, in such Funds, ETFs, or other property of any kind as it deems in your best interest in order to achieve the investment objective(s) identified by you, without regard to holding period, portfolio turnover or resulting gain or loss. While Strategies are generally comprised of either Funds or ETFs, you should understand that Raymond James may decide to invest a certain portion of your account in alternative securities to maintain trading flexibility and/or market exposure, or to enhance diversification. For example, the AMS Investment Committee may determine that a Fund should be replaced, but may not have an immediate replacement Fund candidate. In such an event, the AMS Investment Committee may redeem the current Fund in its entirety and invest the proceeds in an ETF(s) until a suitable replacement fund(s) is selected, or may elect to invest in an ETF or an alternative investment if it believes doing so would potentially enhance the diversification within a given Strategy. The AMS Investment Committee may elect to invest in securities other than Funds or ETFs as it deems is in your best interest in order to achieve the investment objective(s) identified by you, without regard to holding period, portfolio turnover or resulting gain or loss. In the event AMS changes its opinion of an investment such that it is no longer able to recommend that security within a given Strategy, Raymond James reserves the right to remove and replace the Fund, ETF or alternative security with another investment without the client's prior consent.

Eagle Asset Management, Inc. is registered as an investment company with the Securities and Exchange Commission and is wholly-owned subsidiary of RJF. The participation of affiliated Funds may create an incentive for Raymond James to recommend an affiliated Fund over a similarly qualified and suitable non-affiliated Fund. Each Strategy available in the FREEDOM Program has been constructed by the AMS Investment Committee to offer an alternative that does not contain an affiliated Fund, at each minimum asset level. Tax-qualified retirement accounts will be automatically invested in the selected Strategy that does not invest in affiliated Funds, as federal regulations prohibit affiliated Funds from being purchased in tax-qualified retirement advisory accounts.

Municipal strategies are not available for investment by tax-qualified retirement accounts. Municipal strategy selections made on behalf of tax-qualified retirement accounts will be automatically invested in the non-Municipal Fund Strategy. For example, IRA and/or ERISA accounts that select the Balanced Municipal Strategy will be automatically invested in the Balanced Strategy.

Dividend Reinvest is not available for ETF strategies. If no selection is made, all dividends will be paid in cash for the High Income and Retirement Income Solution strategies. All other strategies will reinvest dividends if no alternative selection is made.

The advisory fees for FREEDOM Program are as follows:

All Strategies except Conservative & High Income:

Advisory Fee

| | |
|--|-------|
| First \$200,000 | 1.75% |
| Next \$300,000 | 1.50% |
| Over \$500,000 | 1.00% |
| Accounts greater than \$5,000,000 are negotiable | |

Conservative & High Income Strategies:

Advisory Fee

| | |
|--|-------|
| First \$200,000 | 1.25% |
| Next \$300,000 | 1.00% |
| Over \$500,000 | 0.70% |
| Accounts greater than \$5,000,000 are negotiable | |

You may also incur charges for other account services provided by RJFSA not directly related to the execution and clearing of transactions including, but not limited to, IRA custodial fees, safekeeping fees, and fees for legal or courtesy transfers of securities.

You, or RJFS, may terminate the agreement at any time upon written notice. We will not accept instructions to terminate the Agreement unless you provide such instructions in writing.

Additional Disclosures About AMS Programs:

Investment of Cash Reserves

With respect to cash reserves of advisory client accounts, the custodian of the account assets will determine where cash reserves are held. The custodian may offer one or multiple options to different account types (such as non-taxable and managed accounts). In addition, the custodian may, among other things, consider terms and conditions, risks and features, conflicts of interest, current interest rates, the manner by which future interest rates will be determined, and the nature and extent of insurance coverage (such as deposit protection from the Federal Deposit Insurance Corporation and the Securities Investor Protection Corporation). The custodian may change an investment option at any time by providing the Client with thirty (30) days advance written notice of such change, modification or amendment. As of July 2010, Cash Sweep Options include the Raymond James Bank Deposit Program ("RJBDP"), the Client Interest Program ("CIP") sponsored by Raymond James, and a proprietary class of money market funds (the "Eagle Class - JP Morgan Money Market Funds") of the JP Morgan Prime Money Market Fund and JP Morgan Tax Free Money Market Fund, managed by J.P. Morgan Investment Management, Inc. offered by Eagle Asset Management, Inc. ("Eagle," an affiliate of Raymond James)... Clients selecting the RJBDP option are responsible for monitoring the total amount of deposits held at each Bank in order to determine the extent of FDIC insurance coverage available. Raymond James is not responsible for any insured or uninsured portion of Client deposits at any of the Banks.

Raymond James Bank (also an affiliate of Raymond James), and the interest rate it offers may differ from the yield on the Eagle Class - J.P. Morgan Money Market Funds and CIP, but Raymond James Bank generally earns more than the interest it pays on such balances. The Eagle Class - JP Morgan Money Market Funds are offered by Eagle through an agreement with J.P. Morgan. Under the agreement, Eagle, Eagle Fund Services, Inc. and Eagle Fund Distributors, Inc., (together, the "Eagle Affiliates") and Raymond James and its affiliate Raymond James Financial Services, Inc. are

compensated by the Eagle Class - JP Morgan Money Market Funds and J.P. Morgan for, among other things, distribution costs, shareholder record-keeping activities, and the coordination and administration of the funds.

Raymond James generally earns a higher rate of interest on CIP balances than the interest rate it pays on such balances. The income earned by the Eagle Affiliates and Raymond James is in addition to the asset-based fees that Raymond James receives from these accounts.

Where an unaffiliated third party acts as custodian of account assets, Client and/or the custodian will determine where cash reserves are held.

Cash balances arising from the sale of securities, redemptions of debt securities, dividend and interest payments and funds received from customers are transferred automatically on a daily basis to the client's cash sweep account. When securities are sold, funds are deposited on the day after settlement date. Funds placed in a client's account by personal check usually will not be transferred to the sweep account until the second business day following the day that the deposit is credited to the client's investment account. Due to the foregoing practices, Raymond James may obtain federal funds prior to the date that deposits are credited to the client's investment account and thus may realize some benefit because of the delay in transferring such funds to their interest-bearing cash sweep account.

For further information, please refer to "The Raymond James Cash Sweep Programs" brochure, a copy of which is available from us, or you may visit the Raymond James public website: http://www.raymondjames.com/cash_sweep.htm.

Cash Rule Conflict

Participants in the IMPAC and PASSPORT programs with cash or money market investments which exceed 20% of the total market value of client's account at the time of billing will be included for fee purposes only if the account did not exceed 20% in cash or money market investments at the end of the previous quarter. Otherwise the balance in excess of 20% will not be included in the value of Client's account for fee purposes. This fee billing provision is intended to equitably assess advisory fees to client assets for which an ongoing advisory service is being provided, and the exclusion of excess cash from the advisory fee is intended to benefit clients holding substantial cash balances (as a percentage of the total individual account value) for an extended period of time. However, this provision may pose a financial disincentive to an IAR, as the portion of cash or money market investments will not be included in the asset-based fee charged to the account. This may cause an IAR to reallocate a client account from cash or money market investments to advisory fee eligible investments in order to avoid the application of this provision and therefore receive a fee on the full asset value in a client's account(s).

For non-IRA/ERISA PASSPORT and IMPAC accounts, the client's Investment Adviser Representative may elect to absorb all or a portion of the Processing Fee. Certain open-end mutual funds which may be acquired by clients, may, in addition to assessing management fees, internally assess a distribution fee pursuant to section 12(b)-1 of the Investment Company Act of 1940, or an administrative or service fee ("trail"). Such fees are included in the calculation of operating expenses of a mutual fund and are disclosed in the fund prospectus. However, if the IAR elects to absorb the Processing Fees in **non**-IRA/ERISA accounts, they may also elect to receive trails paid by the fund company, if any, to defray the cost of the Processing Fees they absorb. If such an election is made, there may be a conflict of interest where the IAR may have an incentive to absorb all of the Processing Fees in consideration of the actual or anticipated trails they will receive.

Clients should understand that the annual advisory fees charged in the FREEDOM, PASSPORT and IMPAC programs are in addition to the management fees and operating expenses charged by open-end, closed-end and exchange-traded funds. To the extent that a client intends to hold fund shares for an extended period of time, it may be more economical for the client to purchase fund shares outside of these programs. Clients may be able to purchase mutual funds directly from their respective fund families without incurring the Barnes-Petley Financial Advisors, LLC's advisory fee. When purchasing directly from fund families, clients may incur a front- or back-end sales charge.

Clients should also understand that the shares of certain mutual funds offered in these programs may impose short-term trading charges (typically 1%-2% of the amount originally invested) for redemptions generally made within short periods of time. These short-term charges are imposed by the funds (and not Barnes-Petley Financial Advisors, LLC) to deter "market timers" who trade actively in fund shares. Clients should consider these short-term trading charges when selecting the program and/or mutual funds in which they invest. These charges, as well as operating expenses and management fees which may increase the overall cost to the client by 1%-2% (or more), are available in each fund's prospectus.

Clients should also understand that certain no-load variable annuities may be offered in the PASSPORT, IMPAC and AMBASSADOR programs and may be charged an advisory fee. The annual advisory fees charged for these no-load variable annuities are in addition to the management fees and operating expenses charged by the insurance companies offering these products.

Clients should also understand that more sophisticated investments such as short sells and margins may be offered in the PASSPORT, IMPAC and AMBASSADOR programs. Fees for advice and execution on these securities are based on the total asset value of the account. While a negative amount may show on a client's statement for the margined security as the result of a lower net market value, the amount of the fee is based on the absolute market value. This could create a conflict of interest where an IAR may have an incentive to encourage the use of margin to create a higher market value and therefore receive a higher fee. The use of margin may also result in interest charges in addition to all other fees and expenses associated with the security involved.

A client's total cost of each of the services provided through these programs, if purchased separately, could be more or less than the costs of each respective program. Cost factors may include the client's ability to:

1. obtain the services provided within the programs separately with respect to the selection of mutual funds,
2. invest and rebalance the selected mutual funds without the payment of a sales charge, and
3. obtain performance reporting comparable to those provided within each program.

When making cost comparisons, clients should be aware that the combination of multiple mutual fund investments, advisory services, custodial and brokerage services available through each program may not be available separately or may require multiple accounts, documentation and fees. If an account is actively traded or the client otherwise may not qualify for reduced sales charges for fund purchases, the fees may be less expensive than separately paying the sales charges and advisory fees. If an account is not actively traded or the client otherwise would qualify for reduced sales charges, the fees in these programs may be more expensive than if utilized separately.

The client's IAR may have a financial incentive to recommend a fee-based advisory program rather than paying for investment advisory services, brokerage, performance reporting and other services separately. A portion of the annual advisory fee is paid to the client's IAR, which may be more than the IAR would receive under an alternative program offering or if the client paid for these services

separately. Therefore, the client's IAR may have a financial incentive to recommend a particular account program over another. IARs do not receive a financial incentive to recommend and sell proprietary mutual funds versus non-proprietary funds. However, because compensation structures vary by product type, IARs may receive higher compensation for certain product types. In addition, your IAR may receive incentive compensation for utilizing a particular account program.

Barnes-Petty Financial Advisors, LLC believes the charges and fees offered within each fee-based program are competitive with alternative programs available through other firms and/or investment sources, yet makes no guarantee that the aggregate cost of a particular program is lower than that which may be available elsewhere.

Clients that terminate the advisory agreement(s) within the first five (5) business days of entering into the advisory agreement will have any advisory fees that were charged refunded back to them.

All above quoted fees may be negotiated within the stated fee schedule; however certain circumstances may dictate an exception from the set range.

Portfolio Consulting Services

We will initially consult with you and, based upon information you provide, we will review your accounts and recommend an initial asset allocation or recommend changes to the asset allocation, as applicable, based upon your risk tolerance, investment objectives and other relevant information. Once your initial asset allocation is recommended or reviewed, we will thereafter review your account on a quarterly basis and make recommendations to you to rebalance the asset allocation, if necessary, based upon the information you provide to us. For retirement accounts, it shall be your sole responsibility to implement any recommendations we provide and for 529 Plan accounts, we will obtain authorization from you prior to placing any transactions.

You will be charged a fee for portfolio consulting services which is billed quarterly in arrears based on the market value of your accounts at the end of the quarter. Fees will be assessed pro rata in the event the portfolio consulting agreement is executed at any time other than the first day of a calendar quarter. On an annualized basis, our fees for portfolio consulting services, subject to negotiation, are as follows:

| Account Value | Annualized Fee** |
|----------------------|-------------------------|
| First \$ 200,000 | 1.25% |
| Next \$ 800,000 | 1.00% |
| Next \$ 1,000,000 | 0.75% |
| Next \$ 1,000,000 | 0.65% |
| Next \$ 1,000,000 | 0.55% |
| Next \$ 1,000,000 | 0.50% |
| Over \$ 5,000,000 | 0.40% |

** The fee schedule is blended meaning that you will be charged the corresponding fee based upon the value of your account at each tier. Our fees are negotiable and some clients, including existing clients of the firm, may pay different/higher fees and/or may pay a flat percentage fee in lieu of a tiered fee schedule.

We will send you an invoice for the payment of our advisory fee, or we will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid

directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

If the investment advisory agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances.

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

Either party may terminate the advisory agreement by giving 30-days' written notice to the other party. In the event the agreement is terminated during a calendar quarter, you will be charged pro-rata fees which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client.

Financial Planning Services

We engage in broad based and consultative financial planning services for a fee. Financial planning services will typically involve providing a variety of services, principally advisory in nature, to you regarding the management of your financial resources based upon an analysis of your individual needs. Financial planning services may encompass such areas as financial and cash flow statements, personal budgets, estate taxes, educational needs of dependents, life insurance needs, income tax analysis, investment analysis, disability analysis, charitable giving, employee benefits analysis and retirement plan objectives.

The process typically begins with a complimentary introduction meeting during which the various services we provide are explained. If you decide to engage us for financial planning services, we will collect pertinent information about your personal and financial circumstances and objectives. As required, we will conduct follow-up interviews for the purpose of reviewing and/or collecting additional financial data. Once such information has been reviewed and analyzed, a written financial plan designed to achieve your stated financial goals and objectives will be produced and presented to you. The primary objective of this process is to allow us to assist you in developing a strategy for the successful management of income, assets and liabilities in meeting your financial goals and objectives.

In some circumstances, Clients may only require advice on a single aspect of the management of their financial resources. For these Clients, we offer general consulting services that address only those specific areas of interest or concern.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to our firm. In providing the contracted services, we are not required to verify any information we receive from you or from your other professionals (e.g. attorney, accountant, etc.) and we are expressly authorized to rely on the information you provide. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

We charge a negotiable fixed fee for broad based financial planning services ranging between \$750 and \$3000. An estimate of the total cost will be determined at the start of the advisory relationship. A deposit of 50% of the total estimated fee will be due in advance and the remainder will be due upon completion of the services rendered, or as invoiced. In limited circumstances, the cost/time could

potentially exceed the initial estimate. In such cases, we will notify you and may request that you approve the additional fee. We charge a non-negotiable hourly rate of \$200 for consultative financial planning which shall be due and payable upon completion of the agreed upon services, or as invoiced.

In providing financial planning services, we may recommend our services and/or our Associated Persons services in their separate capacity as licensed insurance agents and/or registered representatives of Raymond James Financial Services, Inc. A conflict of interest exists when we make such recommendations. You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the recommendations through any of our other investment advisory services or any Associated Persons of our firm. Moreover, you may act on our recommendations by placing securities transactions with the brokerage firm of your choice. Refer to the *Fees and Compensation* section below for additional disclosures on this topic.

Either party may terminate the financial planning agreement upon 15- days' written notice to the other party. In the event of termination, you will receive a pro rata refund or will be charged for the portion of work we have performed through the date of termination. At no time will we charge clients more than \$1200 and six or more months in advance.

Pension Consulting Services

We will provide pension-consulting services to employee benefit plans and their fiduciaries based upon an analysis of the needs of the plan. In general, these services may include an existing Plan review, formation of an Investment Policy Statement, evaluation of existing vs. other alternatives, evaluation of Plan vendors, initial creation of or advice on model portfolios, Plan Participant enrollment and education, performance reporting of Plan assets and reviews of model portfolios on at least an annual basis and annual due diligence reviews on third party money managers. We may also provide individualized investment advice to Plan Participants on an as needed basis only as requested by the Participant. Such investment advice shall consist only of asset allocation recommendations, upon request of the Plan Participant, and it shall be the Participant's responsibility to implement any such recommendations.

Fees for pension consulting services are negotiated on a case-by-case basis pursuant to an agreement between our firm and the Plan vendor. Such fees are due and payable quarterly in arrears based upon the value of the plan's assets at the end of the quarter. The fees and terms will be clearly set forth in the executed agreement for services. In the event we provide individual investment advice to plan participants, we charge a negotiable flat percentage, per annum, due and payable quarterly in arrears which shall be based on a percentage of the market value of the assets in the Participant's Account at the end of the quarter.

We will either invoice you directly for payment of our fees or payment will be made by the qualified custodian holding your funds and securities provided you provide written authorization permitting the fees to be paid directly from your account(s). We will not have access to your funds for payment of fees without your prior consent in writing. Further, the qualified custodian agrees to deliver a quarterly account statement directly to you, or your independent representative, showing all disbursements from your account. You are encouraged to review your account statement(s) for accuracy.

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

Either party may terminate the pension consulting agreement by providing 30-days written notice to the other party. Fees will be prorated to the date of termination and are due and payable.

Recommendations of Third Party Advisers

We may refer clients to Third Party Advisers for investment management services. Third Party Advisers may be affiliated with Raymond James & Associates who is an affiliate of Raymond James Financial Services. We will share in the fee charged by the Third Party Advisers. Given the affiliation and shared fees, there may be a potential conflict of interest in that we may have an incentive to recommend these Third Party Advisers over other Third Party Advisers. Clients who are referred to Third Party Advisers will receive a brochure which describe the services, fees and other relevant information.

We may refer you to Delta Asset Management ("Delta"), an unaffiliated entity, to manage all or a portion of your accounts which require a value based investment objective. We monitor the performance of Delta, for the benefit of our Clients. We charge you a negotiable fee ranging between 0.5% to 0.75% of the assets under management, which fees are separate and apart from the fees charged by Delta. Delta will charge you an additional fee, subject to negotiation, that ranges between 0.8% and 1.0% of the assets under its management.

You should refer to the brochure for Delta Asset Management for further information on the services, fees and other relevant information.

Types of Investments

We primarily offer advice on mutual funds. When suitable, we generally recommend no load mutual funds.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

Assets Under Management

As of February 13, 2013, we manage \$216,354,618 in client assets on a discretionary basis, and \$485,091,525 in client assets on a non-discretionary basis.

Item 5 Fees and Compensation

Refer to the *Advisory Business* section in this Brochure for information on our advisory fees, fee deduction arrangements, and refund policy according to each service we offer.

Additional Fees and Expenses

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

We may trade client accounts on margin. Each client must sign a separate margin agreement *before* margin is extended to that client account. Fees for advice and execution on these securities are based on the total asset value of the account, which includes the value of the securities purchased on margin. While a negative amount may show on a client's statement for the margined security as the result of a lower net market value, the amount of the fee is based on the absolute market value. This could create a conflict of interest where we may have an incentive to encourage the use of margin to create a higher market value and therefore receive a higher fee. The use of margin may also result in interest charges in addition to all other fees and expenses associated with the security involved.

Compensation for the Sale of Securities or Other Investment Products

Persons providing investment advice on behalf of our firm are registered representatives with Raymond James Financial Services, Inc. ("RJFS"), a securities broker-dealer, and a member of FINRA and the Securities Investor Protection Corporation. In their capacity as registered representatives, these persons may receive normal and customary commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by these persons in their capacity as a registered representative is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to buy or sell securities products through any person affiliated with our firm.

Associated Persons of our firm may be licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products. Insurance commissions earned are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

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

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

Item 7 Types of Clients

We offer investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities. Financial Planning clients must have an income of \$50,000 or a net worth of \$200,000. Clients who open an IMPAC or Passport account must have a minimum account size of \$25,000. There is a minimum investment of \$100,000 for FREEDOM Retirement Income Solution Strategies, and \$50,000 for all other Strategies, although smaller accounts may be accepted based on the specific circumstances of an account. Clients who participate in privately managed accounts through Raymond James Consulting Services must have a minimum account size of \$100,000 for all equity and balanced accounts, and \$200,000 for most fixed income accounts, although smaller accounts may be accepted based upon the specific circumstances of an account. Client accounts who are managed by Delta Asset Management are generally required to have a minimum account size of \$100,000.

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

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

- **Fundamental Analysis** - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.
- **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.
- **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.
- **Margin Transactions** - a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan.
- **Option Writing/Trading** - a securities transaction that involves buying or selling (writing) an option. If you write an option, and the buyer exercises the option, you are obligated to purchase or deliver a specified number of shares at a specified price at the expiration of the option regardless of the market value of the security at expiration of the option. Buying an option gives you the right to purchase or sell a specified number of shares at a specified price until the date of expiration of the option regardless of the market value of the security at expiration of the option.

Risks Associated with Methods of Analysis

Technical Analysis - The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day to day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Fundamental Analysis - The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Margin - Margin accounts present special risks because you can lose more money than you deposit in your account. Additionally, the custodian can force the sale of securities in your account and can sell securities without contacting you.

Options - Options are complex investments and can be very risky, especially if the investor does not own the underlying stock. In certain situations, an investor's risk can be unlimited.

Investment Strategy and Tax Disclosures

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

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

Moreover, as a result of revised IRS regulations, custodians will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as tax law requires that the cost basis method remain unchanged after settlement.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. You understand that our investment recommendations for your account are subject to various market, currency, economic, political and business risks, and that those investment decisions will not always be profitable. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Recommendation of Particular Types of Securities

We primarily recommend mutual funds for our clients. However, we may provide advice on other types of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

Mutual funds are funds that are operated by an investment company that raises money from shareholders and invests it in stocks, bonds, and/or other types of securities. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. The mutual funds charge a separate management fee for their services. The returns on mutual funds can be reduced by the costs to manage the funds. While mutual funds generally provide diversification,

risks can be significantly increased if the fund is concentrated in a particular sector of the market. Funds that are sold through brokers are called load funds, and those sold to investors directly from the fund companies are called no-load funds. Mutual funds come in many varieties. Some invest aggressively for capital appreciation, while others are conservative and are designed to generate income for shareholders. Investors should carefully assess their tolerance for risk before they decide which fund is suitable for their account.

Item 9 Disciplinary Information

Barnes-Petty Financial Advisors, LLC has been registered and providing investment advisory services since 2007. Neither our firm nor any of our Management Persons has any reportable disciplinary information.

Item 10 Other Financial Industry Activities and Affiliations

Registrations with Broker-Dealer

Persons providing investment advice on behalf of our firm are registered representatives with Raymond James Financial Services, Inc. ("RJFS"), a securities broker-dealer, and a member of FINRA and the Securities Investor Protection Corporation. Refer to the **Fees and Compensation** section above for additional disclosures on this topic.

Insurance Agent

Persons providing investment advice on behalf of our firm are also separately licensed as independent insurance agents. These individuals will earn commission-based compensation for selling insurance products. Insurance commissions earned are separate and in addition to advisory fees you pay to Barney-Petty Financial Advisors, LLC for investment advisory services. You are under no obligation, contractually or otherwise, to purchase insurance products through Associated Persons of our firm. Refer to the *Fees and Compensation* section above for additional disclosures on this topic.

Accounting Firm

Richard Devoe is a managing partner of Devoe Carr, PLLC, an accounting firm. If you require accounting services, we may recommend that you use Devoe Carr, PLLC. Our advisory services and related fees are separate and distinct from the compensation paid to Devoe Carr, PLLC for their services. You are under no obligation to use Devoe Carr, PLLC or Mr. Devoe for accounting related services, and may obtain comparable services and/or lower fees through other firms.

Recommendation of Other Advisers

We may recommend that you use a third party adviser ("TPA") based on your needs and suitability. We will receive compensation from the TPA for recommending that you use their services. These compensation arrangements present a conflict of interest because we have a financial incentive to recommend the services of the third party adviser. You are not obligated, contractually or otherwise, to use the services of any TPA we recommend.

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

Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere

strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

Participation or Interest in Client Transactions

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

Personal Trading Practices

Our firm or persons associated with our firm may buy or sell securities for you at the same time we or persons associated with our firm buy or sell such securities for our own account. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our Associated Persons nor we shall have priority over your account in the purchase or sale of securities.

Item 12 Brokerage Practices

We recommend the brokerage and custodial services of Raymond James Financial Services, Inc. ("RJFS") a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. We believe that RJFS provides quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by RJFS, including: the value of research provided, reputation in the marketplace, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of research services and additional brokerage products and services RJFS provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere. Refer to the *Fees and Compensation* section above for additional disclosures on this topic.

Persons providing investment advice on behalf of our firm are also registered representatives of RJFS. These individuals are subject to applicable rules that restrict them from conducting securities transactions away from RJFS unless RJFS provides the representative with written authorization to do so. Therefore, these individuals are generally limited to conducting securities transactions through RJFS. It may be the case that RJFS charges higher transaction costs and/or custodial fees than another broker charges for the same types of services. You may utilize the broker-dealer of your choice and have no obligation to purchase or sell securities through such broker as, we recommend. However, if you do not use RJFS, we may not be able to accept your account. Refer to the *Fees and Compensation* section above for additional disclosures on this topic.

With regard to the Passport and IMPAC accounts, select fund companies have agreed to pay administrative fees to Raymond James and Associates, Inc. ("RJA") in consideration for RJA's waiver of the \$30 Processing Fee assessed on certain Passport Account mutual fund purchases ("Participating Funds"). Raymond James financial advisors do not receive any part of these payments. For a list of fund companies that have agreed to pay Raymond James servicing fees for eligible purchases of Participating Funds, please contact our firm at the telephone number located on the

cover page of this brochure, or by sending a written request to the address located on the cover page of this brochure. Refer to the **Advisory Business** section above for additional disclosures on the Passport and IMPAC programs.

Soft Dollar Benefits

We do not receive any soft dollar benefits from Raymond James Financial Services, Inc.

Brokerage for Client Referrals

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

Block Trades

We do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (commonly referred to as "block trading") because generally we do not manage accounts with individual equity securities.

Item 13 Review of Accounts

IMPAC and Passport accounts are monitored on a continuous basis with other accounts monitored on a periodic basis. Reviews are conducted on at least an annual basis, depending upon client requests or the size of a client's account, and in all cases are handled by investment adviser representatives. A change in personal goals and objectives by the client or significant change in the market conditions will dictate more frequent reviews. Clients may request more frequent meetings or reviews which are conducted on an hourly basis.

Financial Planning reviews/updates are performed as needed by investment adviser representatives who are either Certified Financial Planners or Certified Public Accountants. Our Chief Compliance Officer may designate certain IARs to conduct reviews that are trained and experienced in the financial planning process.

Investment portfolio reports are presented in written form to you on at least an annual basis. These reports detail the investment basis, current market value, percentage allocations for asset types, and a dollar and percentage gain or loss to date, dollar weighted or time weighted, from the last reporting. More frequent investment portfolio reports may be generated at your request and charged on an hourly basis.

You will receive transaction confirmation notices and regular summary account statements, at least quarterly, directly from RJFS, your account custodian. As available, such information may be accessed online.

If you receive reports from our firm, we encourage you to reconcile our reports with those received from the qualified custodian. If you find your holdings differ between these two statements, please call our main office number immediately located on the cover page of this brochure.

Item 14 Client Referrals and Other Compensation

Persons providing investment advice on behalf of our firm are licensed insurance agents, and are registered representatives with RJFS, an unaffiliated securities broker-dealer. Beyond the disclosures provided in this brochure, we do not receive any compensation from any third party in connection with providing investment advice to you. Refer to the *Fees and Compensation* section above for additional disclosures on this topic.

We directly compensate non-employee (outside) consultants, individuals, and/or entities (Solicitors) for client referrals. Specifically, we participate in the Professional Partners Program, a referral program established by Raymond James and its affiliated broker-dealers, whereby we have entered into a solicitors relationship with William F. Horne & Co PLLC ("Horne"). Horne refers investment advisory clients to us and we compensate Horne in exchange for such referrals. In order to receive a cash referral fee from our firm, Solicitors must comply with the requirements of the jurisdictions in which they operate.

If you were referred to our firm by a Solicitor, you should have received a copy of this brochure along with the Solicitor's disclosure statement at the time of the referral. If you become a client, the Solicitor that referred you to our firm will receive a percentage of the advisory fee you pay our firm for as long as you are a client with our firm, or until such time as our agreement with the Solicitor expires or a one-time, flat referral fee upon your signing an advisory agreement with our firm. You will not pay additional fees because of this referral arrangement. Referral fees paid to a Solicitor are contingent upon your entering into an advisory agreement with our firm. Therefore, a Solicitor has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms. Solicitors that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements.

Item 15 Custody

We do not take custody of your funds or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. We may have the authority to deduct our advisory fees from your account, but only if you previously consented to such deduction in writing.

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

If you have a question regarding your account statement or if you did not receive a statement from your custodian, please call our main office number immediately located on the cover page of this brochure.

Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign a discretionary management agreement. If you engage us to provide investment advisory services on a discretionary basis, we have the authority to determine the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Refer to the *Advisory Business* section above for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advise provided by our firm on a non-discretionary basis.

Item 17 Voting Client Securities

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

Item 18 Financial Information

Our firm does not have any financial conditions or impairments that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$1200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.

Item 20 Additional Information

Your Privacy

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

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

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

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

Trade Errors

In limited circumstances, we may make an error in submitting a trade on your behalf. In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may

include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a loss, we will reimburse you or otherwise ensure that your account is made whole. If the trade error results in a profit, the profit will be maintained by the broker-dealer.

Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.