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March 31, 2013

This brochure provides information about the qualifications and business practices of Grayson & Associates, LLC. If you have any questions about the contents of this brochure, please contact us at 864-227-3888 or 864-992-1166 and/or grayson1@centurylink.net. 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 Grayson & Associates, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Although Grayson & Associates, LLC is a Registered Investment Advisor with the Securities and Exchange Commission, registration by itself does not imply any certain level of skill or training. Please refer to additional information contained within this brochure.

MATERIAL CHANGES

This Grayson & Associates brochure is dated March 31, 2013 and includes the following changes:

PAGE	SECTION	CHANGES
1	Cover page	The effective date is changed to March 31, 2013.
5	Fees and Compensation	This section has been updated for clarity. Also, fees billed at an hourly rate have changed.
5	Performance Based Fees and Side-by-Side Management	This section has been updated for clarity.
14	Requirements for State Registered Advisers.	"Investment / Financial Experience and Training" dates have been updated.

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ADVISORY BUSINESS

Grayson & Associates, LLC is a pension consulting firm established in 2010 dedicated exclusively to the hospital and healthcare industry. The principal owner of Grayson & Associates, LLC is Robert G. Stultz. Our expertise lies in understanding how healthcare organizations operate, how they are financed and their needs surrounding administration of employee benefits – particularly retirement plans. We also have a unique understanding and first-hand knowledge of financial markets and the investment world. We partner with clients that sponsor defined benefit, defined contribution and nonqualified deferred compensation plans for their employees. We specifically consult with our clients' individual needs in the following areas:

- Improving defined benefit target funded ratio
- Asset allocation strategies
- Annual contribution strategies
- Liability-Driven Investment strategies
- Reducing overall plan costs and provider fees
- Investment Policy Statements
- Due diligence for defined contribution plan investment options
- Documentation and recordkeeping to memorialize Committee events, discussions and decisions.
- Independent monitoring of investment adviser and investment managers
- Regular market updates with asset allocation recommendations
- Plan revisions and amendments
- Early retirement window programs
- Third party adviser search (Investment Adviser, Trust & Custody, Recordkeeper, Actuary)
- Plan modifications and/or terminations
- Acquisition or merger due diligence for retirement plans
- Improvement of communications among client committees and their investment advisers and other third party providers
- Fiduciary education and training for client committees and/or boards
- Investment / Financial Market education, training and interpretation for Committees / Boards
- Retirement planning workshops
- Non-Biased comparative studies
- Assistance with regulatory compliance
- Special projects as directed by client committees

Organized as a pension consulting firm, Grayson & Associates, LLC is a fee-only adviser and receives no commissions or compensation of any kind from any sources other than our clients. Grayson & Associates, LLC does not manage client assets and does not participate in wrap-fee programs.

FEES AND COMPENSATION

Grayson & Associates, LLC is organized as a pension consulting firm fee-only adviser. Our fees are fixed fees based on the number of client's retirement plan(s) for which consulting services are contracted. Special projects requested by the client and/or not covered under the contract scope of work are billed at the hourly rate of \$150/hr. Our fees are established on a fixed price basis for each plan covered according to the contract scope of work regardless of the asset base size. Fees are negotiable for clients with special one-time needs or unique circumstances. Fees are also negotiable for clients having multiple retirement plans of the same type (e.g. legacy plans, more than one DB plan, more than one DC plan).

Fees are billed quarterly in arrears directly to the client plan sponsor. Grayson & Associates does not require clients to pre-pay expenses or pay fees in advance. Grayson & Associates receives no compensation of any kind from third party providers such as mutual fund companies, trust and custody services, record-keepers, and/or actuaries. Further, Grayson & Associates accepts no compensation resulting from the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

PERFORMANCE-BASED FEES and SIDE-BY-SIDE MANAGEMENT

Grayson & Associates, LLC, its staff and any supervised persons with whom it may employ or contract, accept no performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of the client.

TYPES OF CLIENTS

Grayson & Associates, LLC contracts only with organizations that provide retirement plans for employees in the hospital and healthcare industry and operating in the United States of America. We do not limit our clients according to any minimum size or number of retirement plans sponsored.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Grayson & Associates, LLC does not provide direct investment advice to clients and has no discretionary authority to act for client investments. We only provide consulting services for asset allocation strategies, investment policy statements, liability-driven investment strategies, and other retirement plan services outlined on page 4 of this brochure.

The methodologies employed for each of the services provided by Grayson & Associates are based on project management principles using analytics appropriate to the topic(s), research extracted from current industry literature, current and historical data collected from client data bases, and current and historical data collected from authoritative sources. Reports and/or presentations with recommendations are prepared for client review, analysis, discussion, and, if necessary, decision.

DISCIPLINARY INFORMATION

Grayson & Associates, LLC, its owner (Robert G. Stultz) and its staff have no legal or disciplinary matters (i.e. administrative proceedings before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign regulatory authority) to disclose. There have been no legal or disciplinary actions taken against Grayson & Associates, its owner or its staff of any kind as of any date. Likewise, Grayson & Associates, its owner or its staff are not currently involved in any legal or disciplinary events.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Grayson & Associates, LLC is registered with the Securities and Exchange Commission as a Registered Investment Adviser (Pension Consultant).

Neither Grayson & Associates nor its owner (Robert G. Stultz) or staff members are registered or have applications pending as a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of the foregoing entities.

Additionally, Grayson & Associates, its owner (Robert G. Stultz) and its staff members have no financial or material relationship with the following entities:

- Broker-dealer, municipal securities dealer, or government securities dealer or broker;
- Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and off-shore fund;
- Other investment adviser or financial planner;
- Futures commission merchant, commodity pool operator, or commodity trading advisor;
- Banking or thrift institution;
- Accountant or accounting firm;
- Lawyer or law firm;
- Insurance company or agency;
- Pension consultant;
- Real estate broker or dealer;
- Sponsor or syndicator of limited partnerships

Grayson & Associates may from time-to-time conduct client directed searches for investment advisors and other third party providers to retirement plans. All searches will be conducted without bias or conflict of interest. Grayson & Associates does not and will not engage in direct or indirect compensation arrangements with third party providers, negating any conflict of interest concerns.

CODE OF ETHICS

Executive Summary

Securities and Exchange Commission (SEC) Rule 204A-1 (the Rule) under the Investment Advisors Act of 1940, as amended, requires investment advisors to adopt a code of ethics. The Rule requires an investment advisor's code of ethics to set forth standards of conduct and requires supervised persons to comply with applicable federal securities laws. Codes of ethics must address personal trading, including the reporting of personal securities holdings and transactions and the pre-approval of certain investments.

This document contains the Code of Ethics for Grayson & Associates, LLC, a registered investment advisor domiciled in the State of South Carolina.

Covered Persons

Personnel that are covered (Covered Persons) under the Grayson & Associates Code of Ethics (the Code) include the following:

- The Principal and Owner, Robert G. Stultz
- All family members of the Owner
- All other registered financial advisors employed by Grayson & Associates
- All non-registered staff members of Grayson & Associates

Covered persons are considered access persons under the Rule and are required to adhere to all policies and to report to Grayson & Associates as described herein.

Acknowledgement of Receipt of Code

All Covered Persons are required to acknowledge receipt of delivery of this Code from Grayson & Associates, as well as any amendments to the Code that might be delivered. Additionally, it is the responsibility of all Covered Persons to read, understand and abide by all aspects of the Code.

Standards of Business Conduct

Grayson & Associates requires all Covered Persons to conduct all business dealings in an ethical manner and to abide by not only the technical requirements of this Code, but also to the spirit in which it is intended.

Compliance with Securities Laws

Covered Persons are required to abide by all applicable federal securities laws. Covered Persons are not permitted, in connection with the purchase or sale, directly or indirectly, of a security held or to be acquired by a client:

- To defraud such client in any manner;
- To mislead a client, including by making any statement that omits material facts;
- To engage in any act, practice or course of conduct, which operates or would operate as a fraud or deceit on a client;
- To engage in any manipulative practice with respect to such client;
- To engage in any manipulative practice with respect to securities, including price manipulation;
- To favor the interests of one client over another client;
- To profit personally, directly or indirectly, as a result of knowledge about a security or transaction.

Conflicts of Interest

Grayson & Associates and its Covered Persons have an affirmative duty of care, loyalty, honesty, and good faith to act in the best interests of its clients. Covered Persons should avoid even the appearance of a conflict of interest and should fully disclose all material facts concerning any conflict that does arise with a client.

Confidentiality

During the course of normal business activities, Covered Persons may receive confidential information concerning clients and potential clients. In order to maintain client confidence and trust, this information must be handled with integrity and discretion.

As a general rule, confidential information pertaining to a client of Grayson & Associates should never be communicated to anyone without a definitive need to know, which may include pension consultants, their assistants and, where appropriate, participants involved in a specific transaction. A judgment about who needs to know about particular client information depends on the facts and circumstances, and should be discussed by the Covered Person with the Principal/Owner.

Insider Trading

In accordance with the Insider Trading and Securities Fraud Enforcement Act of 1988, no Covered Person may trade a security while in the possession of non-public information about the security. Additionally, no Covered Person may disseminate or tip such information to others who may trade the

security. Material information includes any information that a reasonable investor would consider in making an investment decision. Non-public information is information that has not been disseminated in a manner that would make it generally available to investors.

Personal Securities Transactions

All Covered Persons must comply with the following policies regarding personal securities transactions:

- Purchases of limited or private offerings require pre-approval from the Chief Compliance Officer prior to proceeding with the transaction.
- Grayson & Associates prohibits Covered Persons from acquiring any securities in an initial public offering without prior written approval from the Chief Compliance Officer.
- Covered Persons are required to adhere to Grayson & Associates policy concerning restricted trading periods that may be in place from time-to-time. This policy may prohibit Covered Persons from engaging in transactions in securities on a Grayson & Associates “blackout” list, until the stated blackout period has elapsed.

Personal Securities Holdings

Grayson & Associates allows Covered Persons to maintain personal securities accounts or holdings at financial institutions of their choice. Holdings include those securities in which a Covered Person has any direct or indirect beneficial ownership (including a trust). A Covered Person is considered to be the beneficial owner of an account in which he/she has any financial interest or ability to exercise control of any account belonging to immediate family members (including any relative by blood or marriage) sharing the Covered Person’s household.

Covered Persons are not permitted to recommend to clients individual securities which are also retained in their personal accounts or holdings. Covered Persons may be periodically required to provide duplicate copies of their account / holdings statements to the Chief Compliance Officer for review.

Violations of the Code

Any violation or non-compliance of the Code must be reported immediately to the Chief Compliance Officer. Examples include non-compliance with applicable rules and regulations, fraud or illegal acts involving any aspect of the firm’s business, material misstatements in client records, or any activity that is harmful to clients.

BROKERAGE PRACTICES

As requested by clients, Grayson & Associates will make recommendations for third party providers, including broker-dealers. Before recommending any broker-dealer to a client, Grayson & Associates will conduct a thorough due diligence effort, which will include:

- A history of the broker-dealer
- A search of the FINRA data base for reportable events and disciplinary actions
- Comparison of all fees against industry benchmarks
- Disclosure of any soft dollar benefits retained by the broker-dealer
- Disclosure of any conflicts of interest or potential conflicts of interest
- A list of the broker-dealer's clients
- Recommendations from other clients with similar retirement plans, if any.

Grayson & Associates and its related persons do not seek or receive client referrals from broker-dealers in exchange for recommending them to clients.

Further, Grayson & Associates does not recommend, request or require that a client direct the firm to execute transactions through a specific broker-dealer.

If a client wishes to use a specific broker-dealer without utilizing a competitive process, Grayson & Associates will reserve the right to conduct a thorough due diligence on that broker-dealer and provide a full report, including recommendations, to the client. The results of that report and the client's response to the recommendations will determine if further steps are required by Grayson & Associates. A copy of the report will be placed in the client's file for future reference.

REVIEW OF ACCOUNTS

Grayson & Associates will in the course of its consulting engagements conduct regular (at least quarterly) reviews of client accounts (i.e. defined benefit, defined contribution, and non-qualified deferred compensation plans). These reviews will be conducted by Grayson & Associates' Principal, Robert G. Stultz. Each review will include:

- A comparison of the account statement with the Trust & Custody statement;
- Conformance with the Investment Policy Statement (IPS);
- Conformance with stated investment goals, if any;
- Determination of the funded status (for defined benefit plan accounts);

- Benchmarking of fund performance to standards;
- Identification of underperforming funds relative to IPS guidance;
- Recommendations for change and/or improvement, if any.

Reports may be provided orally or in writing to the plan sponsor Committee, but will be documented by either written Committee minutes, an attachment to the minutes or a memorandum to the Committee.

CLIENT REFERRALS AND OTHER COMPENSATION

Grayson & Associates is a “fee-only” pension consulting firm and, as such, does not solicit or accept compensation or benefits directly or indirectly from other individuals or organizations that may provide referrals, investment advice or other advisory services to its clients. Further, Grayson & Associates does not compensate or provide benefits directly or indirectly to any individual or organization who is not a supervised person for client referrals.

CUSTODY

Grayson & Associates is not a custodian and does not take custody of any client funds or securities. Further, Grayson & Associates does not provide account statements to clients.

INVESTMENT DISCRETION

Grayson & Associates is a “fee-only” pension consulting firm, and as such, does not accept or exercise any discretionary authority over a client’s retirement plan assets.

VOTING CLIENT SECURITIES

Grayson & Associates is a “fee-only” pension consulting firm, and as such, does not accept or exercise authority to vote client securities held in its retirement plans. All proxies for securities held in retirement plan accounts will be provided through the plan’s custodian or transfer agent.

Grayson & Associates will respond to any client questions (submitted by email, letter, or phone) regarding the process of voting client securities or recommendations made to security holders by corporate Boards of Directors.

FINANCIAL INFORMATION

By policy Grayson & Associates does not require advance payment from clients and will never request same. All fees billed by Grayson & Associates are invoiced in arrears on a quarterly basis. Payment of invoices is net 30 days. Invoices overdue by more than 30 days and less than 60 days will be charged a late fee equal to 5% of the invoice total. Invoices overdue by more than 60 days and less than 90 days will be charged a late fee equal to 10% of the invoice total. Clients that have past due balances exceeding 90 days will receive a letter suspending any additional work under the contract until the balance is paid in full. At any time the client may request special payment arrangements.

REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Grayson & Associates, LLC is an SEC Registered Investment Advisor and not registered with any state securities authorities. However, it is important that each client or potential client know the background and training of Grayson & Associates' Principal and Chief Pension Consultant, Robert G. Stultz.

Formal Education	BA – Tennessee Wesleyan College – 1969 MEd – University of Georgia – 1973
Investment / Financial Experience and Training	Series 7 Licensed Securities Registered Representative -1985 (inactive) College for Financial Planning - 1998 (CFP) (inactive)
Retirement Plan Experience	Westinghouse Savannah River Company, Aiken, SC (Benefits Manager – 1990 – 1996 / AUM = \$1.2 billion. Parkview Health, Fort Wayne, IN (Vice President Human Resources Operations) – 1998 – 2003 / AUM = \$250 million. Forrest Health, Hattiesburg, MS (Vice President Human Resources) – 2003 – 2010 / AUM = \$250 million.
Grayson & Associates	Established – 2010

Grayson & Associates' only business is providing pension consulting to plans sponsors in the hospital and healthcare industry on a "fee only" basis.

Neither the Principal / Owner (Robert G. Stultz) nor any other Grayson & Associates staff members have been involved in an award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500 (or any amount) involving any of the following:

- An investment or an investment-related business or activity;
- Fraud, false statement(s), or omissions;
- Theft, embezzlement, or other wrongful taking of property;
- Bribery, forgery, counterfeiting, or extortion; or
- Dishonest, unfair, or unethical practices.

Neither the Principal / Owner (Robert G. Stultz) nor any other Grayson & Associates staff members have been involved an award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:

- An investment or an investment-related business or activity;
- Fraud, false statement(s), or omissions;
- Theft, embezzlement, or other wrongful taking of property;
- Bribery, forgery, counterfeiting, or extortion; or
- Dishonest, unfair, or unethical practices.

Grayson & Associates, its Principal / Owner Robert G. Stultz and its staff members have no relationship or arrangement with any issuer of securities.

