

Item 1 Cover Page

DELTA ADVISORY GROUP, INC.

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03/30/2017

Part 2A of Form ADV: *Firm Brochure*

This Brochure provides information about the qualifications and business practices of DELTA ADVISORY GROUP, INC. If you have any questions about the contents of this Brochure, please contact us at 407-331-9213 or LIANACONE@DELTAADVISORY.COM. 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

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about DELTA ADVISORY GROUP, INC. is also available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number.

The Firm's CRD number is 105966.

Item 2 Material Changes

This Brochure, dated 03/30/2017, provides you with a summary of DELTA ADVISORY GROUP, INC's (the "Firm") advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This Item 2 is used to provide our clients with a summary of new and/or updated information; the Firm will inform of the revision(s) based on the nature of the information as follows.

1. Annual Update: The Firm is required to update certain information at least annually, within 90 days of the Firm's fiscal year end of December 31. We will provide you with either a summary of the revised information with an offer to deliver the full revised Brochure within 120 days of our fiscal year end or we will provide you with our revised Brochure that will include a summary of those changes in this Item.

2. Material Changes: Should a material change in our operations occur, depending on the nature of the change, the Firm will promptly communicate this change to clients (and it will be summarized in this Item). "Material changes" requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings; significant changes to our advisory services or advisory affiliates; or any information that is critical to a client's full understanding of who the Firm is, how to find us, and how we do business.

The following summarizes new or revised disclosures based on information previously provided in the Firm Brochure dated 03/30/2016:

No changes.

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Item 4 Advisory Business

DELTA ADVISORY GROUP, INC. is a SEC registered investment adviser with its principal place of business located in Florida. DELTA ADVISORY GROUP, INC. began conducting business in 1996.

The Firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company) are:

- Clarence-Pelton, LTD, sole shareholder

As of 12/31/2016, the Firm was actively managing \$30,702,599 of clients' assets on a discretionary basis.

The Firm offers the following advisory services to our clients:

Individual Portfolio Management

The Firm provides continuous advice to a client regarding the investment of client funds and non-continuous asset management of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

The Firm manages these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives, as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Once the client's portfolio has been established, the Firm reviews the portfolio on a quarterly basis and, if necessary, rebalances the portfolio. We also do annual reviews with our clients as to the appropriateness of the asset allocation mix.

The Firm's investment recommendations are not limited to any specific product or service offered by a broker/dealer or insurance company and will generally include advice regarding the following securities:

- Exchange listed securities
- Securities traded over-the-counter
- Corporate debt securities (other than commercial paper)
- Certificates of deposit

- Municipal securities
- Variable annuities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

Financial Planning

The Firm provides financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his/her financial goals and objectives.

Generally, the financial plan addresses any or all of the following areas:

- Personal: Review family records, budgeting, personal liability, estate information and financial goals.
- Tax and Cash Flow: Analyze income tax and spending and planning for past, current and future years and illustrate the impact of various investments on the client's current income tax and future tax liability.
- Investments: Analyze investment alternatives and their effect on the client's portfolio.
- Insurance: Review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- Retirement: Analyze current strategies and investment plans to help the client achieve his/her retirement goals.
- Death and Disability: Review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- Estate: Assist the client in assessing and developing long term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.

The Firm gathers required information through written information and documentation provided by the client, as well as in-depth personal interviews. The information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we will suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

The Firm also provides general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

Typically the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

Financial planning recommendations are not limited to any specific product or service offered by a broker/dealer or insurance company. All recommendations are of a generic nature.

Item 5 Fees and Compensation

Portfolio Management Fees

The Firm's annual fees for Portfolio Management Fees are based upon a percentage of assets under management up to 2.95%.

The fees are billed quarterly, in advance, at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous quarter. Fees will be debited from the account in accordance with the client authorization in the Client Services Agreement.

Limited Negotiability of Advisory Fees: The Firm retains the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule, including but not limited to, the complexity of the client's situation, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

The Firm may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of the Firm.

Financial Planning Fees

The Firm's financial planning fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Financial planning fees are calculated and charged on an hourly basis, ranging from \$195 to \$295 per hour. Although the length of time it takes to provide a financial plan depends on each client's personal situation, the Firm will provide an estimate for the total hours at the start of the advisory relationship.

The client is billed quarterly in arrears based on actual hours accrued.

General Information

Management personnel and other related persons of the Firm are licensed as registered representatives of a broker/dealer and/or licensed as insurance agents or brokers. In their separate capacities, these individuals are able to implement investment recommendations for advisory clients for separate and typical compensation (i.e., commissions, 12b-1 fees or other sales-related forms of compensation). This situation presents a conflict of interest to the extent that these individuals recommend that a client invest in a security which results in a commission being paid to the individuals. Clients are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason, upon receipt of 30 days' prior written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, the Firm will pro rate the reimbursement according to the number of days remaining in the billing period. The days remaining in the billing period are calculated started from the day the Firm receives written notification from the client.

Mutual Fund Fees: All fees paid to the Firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or exchange traded funds. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client can invest in a mutual fund directly, without utilizing our services. In that case, the client would not receive the services provided by the Firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Wrap Fee Programs and Separately Managed Account Fees: Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by the Firm. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker/dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker/dealers, including, but not limited to, any transaction charges imposed by a broker/dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to Item 12 of this Brochure, "Brokerage Practices" for additional information.

ERISA Accounts: Pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986, we are deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts. As such, we are subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, we may only charge fees for investment advice about products for which the Firm and/or related persons do not receive any commissions or 12b-1 fees, except that the Firm and/or related persons may provide investment advice about products for which we receive commissions or 12b-1 fees, only if such fees are used to offset our advisory fees.

Advisory Fees in General: Clients should note that similar advisory services may or may not be available from other investment advisers for similar or lower fees.

Limited Prepayment of Fees: The Firm does not require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

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

The Firm does not charge performance-based fees.

Item 7 Types of Clients

The Firm provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals

- Pension and profit sharing plans(other than plan participants)
- Corporations or other businesses not listed above
- Other

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

Methods of Analysis

The Firm uses the following methods of analysis in formulating our investment advice and/or managing client assets:

Charting. In this type of technical analysis, the Firm reviews charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

Fundamental Analysis. The Firm attempts to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements, which presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical Analysis. The Firm analyzes past market movements and applies that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company, and therefore, presents a risk in that a poorly managed or financially unsound company may underperform regardless of market movement.

Cyclical Analysis. In this type of technical analysis, the Firm measures the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

Risks for all forms of analysis. The Firm's securities analysis methods rely on the assumption that the companies whose securities the Firm purchases and sells, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While the Firm is alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Investment Strategies

The Firm uses the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases. The Firm purchases securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when we believe the securities to be currently undervalued and/or want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if we are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases. When utilizing this strategy, the Firm purchases securities with the idea of selling them within a relatively short time (less than a year). Typically we employ this strategy in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy poses risks that should the anticipated price swing not materialize, we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer term strategy, and will result in increased brokerage and other transaction related costs, as well as less favorable tax treatment of short-term capital gains.

Trading. The Firm purchases securities with the idea of selling them very quickly (30 days or less), in an attempt to take advantage of brief price swings.

Utilizing a trading strategy creates the potential for sudden losses if the anticipated price swing does not materialize. Moreover, under those circumstances, we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, because this strategy involves more frequent trading than does a longer term strategy, there will be a resultant increase in brokerage and other transaction related costs, as well as less favorable tax treatment of short-term capital gains.

Margin transactions. The Firm will purchase stocks for a client's portfolio with money borrowed from the client's brokerage account. Purchasing on margin allows a client to purchase more stock than he/she would be able to with his/her available cash, and allows us to purchase stock without selling other holdings.

Option writing. The Firm may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we believe that the stock will increase substantially before the option expires.
- A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we believe that the price of the stock will fall before the option expires.

The Firm will use options to hedge on the possibility of a sharp price swing or hedge a purchase of the underlying security. In other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for the client's portfolio.

The Firm uses "covered calls", in which we sell an option on a security the client owns. In this strategy, the client receives a fee for making the option available, and the person purchasing the option has the right to buy the security from the client at an agreed upon price.

We use a "spreading strategy", in which we purchase two or more option contracts for the same underlying security. This strategy effectively puts the client on both sides of the market, but with the ability to vary price, time and other factors.

Risk of Loss. Investments in securities are not guaranteed and, as a result, may result in a loss of some or all of the investment. We ask that each client work with us to help us understand your tolerance for risk.

Item 9 Disciplinary Information

The Firm is required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

There are no reportable disciplinary events for the Firm or its management personnel.

Item 10 Other Financial Industry Activities and Affiliations

Member of our management are separately licensed as investment adviser representatives of Delta Capital Management, LLC ("Delta Capital"), Aegis Wealth Management, LLC ("Aegis") and Cafaro Greenleaf Advisors, LLC ("Greenleaf"). In that capacity, these individuals provide advisory services through Delta Capital, Aegis and Greenleaf. The advisory services delivered by Delta Capital, Aegis and Greenleaf are distinct from those provided by us and are provided for separate compensation. Delta Capital's, Aegis', and Greenleaf's advisory services may be recommended to our clients for whom it is appropriate. There are no referral fee arrangements between the Firm and Delta Capital, Aegis or Greenleaf. However, a conflict of interest is created by this arrangement to the extent that these individuals recommend that a client of the Firm open

a Delta Capital, Aegis or Greenleaf account through which these individuals will receive additional compensation. None of our clients are obligated to use Delta Capital, Aegis, Greenleaf or their services. Clients choosing to implement our recommendations through Delta Capital, Aegis or Greenleaf should refer to Delta Capital's, Aegis' or Greenleaf's brochure or other disclosure document for details regarding Delta Capital's, Aegis' and Greenleaf's services and fees.

A member of our management is separately licensed as a registered representative of International Assets Advisory, LLC ("IAA"). In that capacity, this individual provides broker/dealer services through IAA. The broker/dealer services delivered by IAA are distinct from those provided by us and are provided for separate compensation. IAA's services may be recommended to our clients for whom it is appropriate. There are no referral fee arrangements between the Firm and IAA. However, a conflict of interest is created by this arrangement to the extent that this individual recommends that a client of ours opens an IAA account through which this individual will receive additional compensation. None of our clients are obligated to use IAA or its services. Clients choosing to implement our recommendations through IAA should refer to IAA's disclosure document for details regarding IAA's services and fees.

As required, any affiliated investment advisers are specifically disclosed in Section 7.A. on Schedule D of Form ADV, Part 1. (Part 1 of our Form ADV can be accessed by following the directions provided on the cover page of this Firm Brochure.)

Clients should be aware that the receipt of additional compensation by the Firm and its management persons or employees creates a conflict of interest that may impair the objectivity of the Firm and these individuals when making advisory recommendations. The Firm endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser. The Firm takes the following steps to address this conflict:

- Disclosing to clients the existence of all material conflicts of interest, including the potential for the Firm and its employees to earn compensation from advisory clients in addition to our advisory fees;
- Disclosing to clients that they are not obligated to purchase recommended investment products from employees or affiliated companies;
- Collecting, maintaining and documenting accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- Conducting regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- Requiring that employees seek prior approval of any outside employment activity so that we can ensure that any conflicts of interests in such activities are properly addressed;

- Periodically monitoring these outside employment activities to verify that any conflicts of interest continue to be properly addressed by us; and
- Educating employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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

The Firm has adopted a Code of Ethics (the “Code”) which sets forth high ethical standards of business conduct that the Firm requires of its employees, including compliance with applicable federal securities laws.

The Firm and its personnel owe a duty of loyalty, fairness and good faith toward our clients, and have an obligation to adhere not only to the specific provisions of the Code but to the general principles that guide the Code.

The Code includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the Firm’s access persons. Among other things, the Code requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. The Code also provides for oversight, enforcement and recordkeeping provisions.

The Code further includes our policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of the Code is available to our advisory clients and prospective clients. You may request a copy by email sent to LIANACONE@DELTAADVISORY.COM, or by calling us at 407-331-9213.

The Firm and individuals associated with the Firm are prohibited from engaging in principal or agency cross transactions.

Principals of the Firm are also principals of Dollar Secured Income Fund Manager, LLC, the Managing Member of Dollar Secured Income Fund, LLC (the “Dollar Fund”). The Managing Member has designated the Firm as having responsibility for investment management and administrative matters, such as accounting tax and periodic reporting, pertaining to the Dollar Fund. The Firm and our members, officers and employees will devote to the Dollar Fund as much time as the Firm deem necessary and appropriate to manage the Dollar Fund’s business.

The principals of the Firm also solicit investments for and promote the various Tuscan Gardens Income Funds and Tuscan Gardens Growth and Income Funds (the “Tuscan Funds”). The Firm is not responsible for investment management or administrative matters for the Tuscan Funds.

Investments in the Tuscan Funds may be recommended to advisory clients for whom a limited liability company investment may be more suitable than would a separate advisory account managed by the Firm. Clients who invest in the Tuscan Funds are not charged any additional advisory fees other than the advisory fee allocated to the members of the Tuscan Funds.

The Code is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

The Firm and/or individuals associated with the Firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person may have an interest or position in a certain securities which may also be recommended to a client.

It is our expressed policy that no person employed by us may purchase or sell any security prior to transactions being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

The Firm may aggregate employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro rata basis. In the instances where there is a partial fill of a particular batched order, the Firm will allocate all purchases pro rata, with each account paying the average price. Our employee accounts will be included in the pro rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, the Firm has established the following policies and procedures for implementing the Code, to ensure the Firm complies with its regulatory obligations and to provide clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of the Firm may put his/her own interest above the interest of an advisory client.
2. No principal or employee of the Firm may buy or sell securities for his/her personal portfolio(s) where his/her decision is a result of information received as a result of his/her employment unless the information is also available to the investing public.
3. No person employed by the Firm may purchase or sell any security prior to transactions being implemented for an advisory account to prevent such employees from benefiting from transactions placed on behalf of advisory accounts.

4. The Firm requires prior approval for any initial public offering or private placement investments by related persons of the Firm.

5. The Firm maintains a list of all reportable securities holdings for the Firm and anyone associated with the Firm that has access to advisory recommendations. These holdings are reviewed on a regular basis by the Firm's Chief Compliance Officer or his/her designee.

6. The Firm has established procedures for the maintenance of all required books and records.

7. All of the Firm's principals and employees must act in accordance with all applicable laws, rules and regulations governing registered investment advisory practices.

8. The Firm requires delivery and acknowledgment of the Code by each person associated with us.

9. The Firm has established policies requiring the reporting of Code violations to senior management.

10. Any individual who violates any of the above restrictions may be subject to termination.

Item 12 Brokerage Practices

For discretionary clients, the Firm requires clients to provide us with written authority to: (i) determine the broker/dealer to use; (ii) the commission costs that will be charged to these clients for these transactions; and (iii) provide limitations on discretionary authority. Clients may amend these limitations as required. Such amendments must be provided to us in writing.

The Firm will endeavor to select those brokers/dealers which will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on the broker's stability, reputation, ability to provide professional services, competitiveness of commission rates and prices, research, trading platform, and other services which will help the Firm in providing investment management services to clients. We may recommend or use a broker/dealer that provides useful research and securities transaction services even though a lower commission may be charged by a broker/dealer who offers no research services and minimal securities transaction assistance. Research services may be useful in servicing all clients; however, not all such research may be useful for the account for which the particular transaction was effected.

Consistent with obtaining best execution for clients, we may direct brokerage transactions for client portfolios to brokers/dealers that provide research and execution services to us and, indirectly, to our clients. These services are of the type described in Section 28(e) of the Securities Exchange Act of 1934 and are designed to augment our internal research and investment strategy capabilities and may be done without prior agreement or understanding by the client (and done at

our discretion). Research services obtained through the use of soft dollars may be developed by broker/dealers to whom brokerage is directed or by third parties who are compensated by the broker. We do not attempt to put a specific dollar value on the services rendered or to allocate the relative costs or benefits of those services among clients, believing that the research we receive will help us to fulfill our overall duty to our clients. We may not use each particular research service to service each client. As a result, a client may pay brokerage commissions that are used, in part, to purchase research services that are not used to benefit that specific client. The broker/dealers we select may be paid commissions for effecting transactions for our clients that exceed the amounts other broker/dealers would have charged for effecting these transactions if we determine, in good faith, that such amounts are reasonable in relation to the value of the brokerage and/or research services provided by those broker/dealers, viewed either in terms of a particular transaction or our overall duty to discretionary client accounts.

Certain items obtainable with soft dollars may not be used exclusively for either execution or research services. The cost of such “mixed-use” products or services will be fairly allocated and we make a good faith effort to determine the percentage of such products or services which may be considered as investment research. The portions of the costs attributable to non-research usage of such products or services are paid by us to the broker/dealer in accordance with the provisions of Section 28(e) of the Securities Exchange Act of 1934.

When the Firm uses client brokerage commissions to obtain research or brokerage services, we receive a benefit to the extent that we do not have to produce such products internally or compensate third-parties with our own money for the delivery of such services. Therefore, such use of client brokerage commissions results in a conflict of interest, because we have an incentive to direct client brokerage to those broker/dealers who provide research and services we utilize, even if these broker/dealers do not offer the best price or commission rates for our clients.

The Firm will block trades where possible and when advantageous to clients. Blocking trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. The Firm will typically aggregate trades among clients whose accounts can be traded at a given broker/dealer. Our block trading policies and procedures are as follows:

1. Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client’s Advisory Agreement or the Firm’s order allocation policy.
2. The purchase or sale of the particular security involved must be appropriate for the client, consistent with the client’s investment objectives, and consistent with any investment guidelines or restrictions applicable to the client’s account.

3. The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable us to seek best execution for each client participating in the aggregated order, which requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a “20-20 hindsight” perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.

4. Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.

5. If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.

6. Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the client’s participation. Under the client’s agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.

7. If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by our Chief Compliance Officer no later than the morning following the execution of the aggregate trade.

8. Client account records separately reflect, for each account in which the aggregated transaction occurred, the securities that are held by, and bought and sold for, that account.

9. Funds and securities for aggregated orders are clearly identified on our records and to the broker/dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.

10. No client or account will be favored over another.

The Firm may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (“Schwab”), to maintain custody of clients’ assets and to effect trades for their accounts. Although we may recommend that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab.

Our firm is independently owned and operated and not affiliated with Schwab.

Schwab provides the Firm with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab. These services are not contingent upon the Firm committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For our client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction related or asset based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to us other products and services that benefit us but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our client accounts, including accounts not maintained at Schwab.

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

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers.

Schwab may make available, arrange and/or pay third party vendors for the types of services rendered to us. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to us. Schwab may also provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

The Firm has an arrangement with National Financial Services LLC and Fidelity Brokerage Services LLC (collectively with affiliates, "Fidelity") through which Fidelity provides us with "institutional platform services". The institutional platform services include, among others,

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

Fidelity also offers other services intended to help us manage and further develop our advisory practice. Such services include, but are not limited to, performance reporting, financial planning, contact management systems, third party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third party service providers who provide a wide array of business related services and technology to the Firm.

The Firm is independently operated and owned and is not affiliated with Fidelity.

Fidelity generally does not charge its advisor clients separately for custody services but is compensated by account holders through commissions and other transaction related or asset based fees for securities trades that are executed through Fidelity or that settle into Fidelity accounts (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity provides access to many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges.

As a result of receiving such services for no additional cost, we may have an incentive to continue to use or expand the use of Fidelity's services. We examined this potential conflict of interest when we chose to enter into the relationship with Fidelity and have determined that the relationship is in the best interests of our clients and satisfies our client obligations, including our duty to seek best execution. A client may pay a commission that is higher than another qualified broker/dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker/dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, while we will seek competitive rates for the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the investment research products and services that may be obtained by us will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account.

Item 13 Review of Accounts

Individual Portfolio Management

While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by: Charles C. Smith, Jr. and Sean D. Casterline

Financial Planning Services

While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for financial planning clients unless the client contracts for additional services.

Financial planning clients will receive a completed financial plan. Additional reports will not typically be provided unless the client contracts for additional services.

Item 14 Client Referrals and Other Compensation

It is our policy not to engage solicitors or to pay related or non-related persons for referring potential clients to us.

Other Compensation

The Firm and/or its associated persons are eligible to receive incentive awards (including prizes such as trips or bonuses) for recommending certain types of investment products.

While we endeavor at all times to put the interest of our clients first as part of our fiduciary duty, the possibility of receiving incentive awards creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

Item 15 Custody

As previously disclosed in Item 5 of this Brochure, "Fees and Compensation", we directly debit advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from the client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

The Firm does not have actual or constructive custody of client accounts.

Item 16 Investment Discretion

Clients may hire the Firm to provide discretionary asset management services, in which case we are not required to obtain the client's permission prior to placing trades in a client's account. This discretionary authority includes the ability to determine the security to buy or sell and/or the amount of the security to buy or sell without contacting the client.

Clients give the Firm discretionary authority when they sign a discretionary agreement with us, and may limit this authority by giving us written instructions. Clients may also amend such authority by providing us with written instructions.

Item 17 Voting Client Securities

As a matter of policy, we do not vote proxies on behalf of clients. Therefore, although we may provide investment advisory services as to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted; and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets to forward copies of all proxies and shareholder communications relating to the client's investment assets to the client.

The Firm may provide a client with consulting assistance regarding proxy issues if the client contacts us with questions at our principal place of business.

Item 18 Financial Information

As an advisory firm that maintains discretionary authority, or is deemed to have custody of client accounts, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. The Firm has no such financial circumstances to report. Furthermore, we have not been the subject of a bankruptcy petition at any time during the past ten years.