

COVER PAGE

Delta Asset Management, LLC

5350 Poplar Ave, Suite 875 Memphis, TN 38119-0608

901-767-4791, Fax 901-767-1224

delta@deltaasset.com

www.deltaasset.com

March 24, 2017

This brochure provides information about the qualifications and business practices of Delta Asset Management, LLC ("Delta"). If you have any questions about the contents of this brochure, please contact us at 901-767-4791 or at delta@deltaasset.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Delta Asset Management, LLC also is available on the SEC's website at www.adviserinfo.sec.gov. You can search for our firm by using our CRD number which is 113688.

Delta is registered with the SEC. However, this registration, while required by law, does not indicate any established or set level or skill or training on our part.

MATERIAL CHANGES

This section only discusses any material changes to this Form ADV Part 2A disclosure document since the date of our 2016 annual update to this brochure which was March 30, 2016 through the date of our 2017 annual update to this brochure which was March 24, 2017.

During that time, David Cooke joined the firm as a Vice President and portfolio manager and is a member of our Investment Committee.

In addition, our firm is no longer affiliated with Wilbanks, Smith & Thomas Asset Management, LLC, Miller-Green Financial Services, LLC, Edelman Financial Services, LLC, Sanders, Morris, Harris, LLC, The Dickenson Group, LLC, and HWG Insurance Agency, Inc. and is now affiliated with Kissinger Financial Services, LLC. However, we do not have, and have not had, a relationship or arrangement with any of these affiliated firms which is material to our business or to our clients. Please refer to section 10 on Other Financial Industry Activities and Affiliations for more information on our affiliated companies.

TABLE OF CONTENTS

Advisory Business.....	3
Fees and Compensation.....	4
Performance-Based Fees and Side-By-Side Management.....	5
Types of Clients.....	5
Methods of Analysis, Investment Strategies and Risk of Loss.....	5
Disciplinary History.....	6
Other Financial Industry Activities and Affiliations.....	6
Code of Ethics, Participation or interest in Client Transactions and Personal Trading.....	7
Brokerage Practices.....	7
Review of Accounts.....	11
Client Referrals and Other Compensation.....	12
Custody.....	14
Investment Discretion.....	14
Voting Client Securities.....	15
Financial Information.....	15

ADVISORY BUSINESS

Delta has been in business since 1989. We provide our clients with investment advisory services consisting primarily of discretionary asset management through use of equity, fixed income and balanced (between equity securities such as stocks, fixed income securities such as municipal and government bonds and exchange traded mutual funds) portfolios. Our services and processes are designed to determine and address each client's specific investment needs through formulation of an asset allocation strategy tailored to meet the client's investment circumstances, objectives, time horizon objectives and risk tolerance. You may also impose restrictions on our ability to implement particular types of investments on your behalf if that is your preference. We maintain a model portfolio which we use as an allocation guide for managing our clients' accounts and in determining when to sell a particular security in a client's account taking into account the client's specific investment and tax considerations. Our model portfolio may limit the total number of individual securities held by our clients although a client's account may be composed of securities not included in our model portfolio depending upon the client's specific investment needs.

We do not provide legal, tax or accounting advice or services and you should not assume that we are providing you such services at any time. Also, you should understand that, generally speaking, securities or other investments for which we provide advice to you are not deposits or obligations of any bank, are not endorsed or guaranteed by any bank and are not insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other governmental agency and that neither Delta nor any of its affiliated companies is a trust or banking institution.

Delta has entered into "wrap fee" arrangements sponsored by LPL Financial Corporation, which is unaffiliated with Delta. Under a wrap fee arrangement, a brokerage firm may recommend retention of Delta to manage all or a portion of your assets; pay us our fee for our services; monitor and evaluate our services in managing your assets; execute securities transactions which we implement on your behalf; and provide you with custodial services for your assets, or the brokerage firm may provide any combination of these services, for a set fee to be paid by you to the brokerage firm. Under a wrap fee arrangement, your assets would be managed by us in the same manner as assets managed by us for our clients not in a wrap fee arrangement although this would be subject to your particular investment needs and objectives and we may have limited or minimal contact with you where the brokerage firm maintains the direct and primary relationship with you. You should understand that, depending upon the amount of the wrap fee the brokerage firm charges you, the number of securities transactions in your account, the value of custodial or other services you will receive under the arrangement, the amount of the wrap fee may or may not be less than the total cost for such services added together if you obtained them separately and therefore such arrangements may not be suitable for all clients based on the client's individual financial circumstances and investment goals. You can find more specific information on each wrap fee arrangement in the Wrap Fee Program Brochure which should be available to you from the wrap fee arrangement sponsor. Delta does not act as a sponsor of any wrap fee arrangements.

The principal owners of Delta are Myron Mall, Managing Director; Edward Taylor, Managing Director; David Smith, Managing Director and WealthTrust, LLC. The principal owners of WealthTrust, LLC are Affiliated Wealth Partners Holdings, LLC and LEP Realization Summer, LLC through intermediaries. The amount of client assets we manage on a discretionary basis as of December 31, 2016 is \$823 million.

FEES AND COMPENSATION

Delta is solely compensated for its investment advisory services by charging you a management fee based on the market value of your assets under our management based upon the fee schedule set forth below:

<u>Market Value</u>	<u>Stock Rate</u>	<u>Bond Rate</u>
First \$ 2,000,000	1.00%	.50%
Over \$ 2,000,000 to \$ 5,000,000	.70%	.35%
Over \$ 5,000,000 to \$10,000,000	.50%	.25%
Over \$10,000,000	.35%	.15%

Monitoring of legacy positions .25% on the value of the positions.

Fees are billed quarterly in arrears based upon the market value of the assets at the end of the preceding quarter. If your relationship with us is begun or ended during a calendar quarter, your fee will be prorated for the appropriate number of days completed or remaining in the quarter and, where applicable, you will be issued a refund for any portion of your quarterly fee paid in advance (such as in a wrap fee arrangement) or which was otherwise unearned. Fees are rounded to the nearest dollar.

We charge an annual minimum fee of \$3,000 per client relationship.

We may negotiate the amount of your fee depending upon circumstances including but not limited to account composition and complexity, other client, employee or family relationships, etc. which may result in different fees being charged by us for client accounts similar in composition and objectives. Our employees and their family related accounts may be charged a reduced fee, or no fee, for our services.

You may pay your fee to us directly upon receipt of an invoice from us or you may authorize your custodian to allow us to directly debit our fee from your account or accounts. If you choose the latter method, your custodian will not confirm our fee but will pay the amount based on the fee amount communicated to the custodian by us and send it directly to us. You will receive a periodic statement from your custodian which will show the amount of the fee which has been sent to us. You should confirm the accuracy of our fee calculation upon receipt of your custodian's statement.

The fees you pay us do not include brokerage commissions or other fees or charges associated with securities transactions implemented with or through a brokerage firm, mark-ups or mark-downs in principal transactions, deferred sales charges, stock exchange fees, wire transfer or related processing fees, transfer taxes or other charges mandated by law or regulation all of which will be charged to you in addition to our fee. We do not receive any portion of any of the foregoing expenses or fees. You should go to the section on Brokerage Practices in our brochure for more information on how we select or recommend brokerage firms for your securities transactions and information related to that process.

You should understand that mutual funds, including exchange traded funds, in which your assets are invested by us or by others, impose separate investment management fees and other operating expenses, described in the fund's prospectus, for which you, the client, will be charged separately from the fee paid to us for our services.

As we discussed in the section on Advisory Services in our brochure, we have entered into "wrap fee" arrangements with certain brokerage firms where you pay the brokerage firm an agreed upon fee for investment management by us or other investment advisory firms such as us, brokerage commissions, custodial services and possibly consulting services. We receive a portion of the "wrap fee" you pay the brokerage firm for our services. Our portion of the fee averages .75% of your assets managed by us depending upon our arrangement with the brokerage firm which sponsors the wrap fee arrangement.

Clients should be aware that similar or comparable services may be available from other firms including other investment management firms at a cost higher or lower than that available through us.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

This section does not apply to Delta Asset Management, LLC

TYPES OF CLIENTS

Our clients include individual persons, banks or thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations and corporations or similar business entities. We do not have a minimum account size.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Our primary method of investment analysis and investment strategies to provide services to our client involves the use of fundamental analysis which is the analysis of a company's financial statements, its management, competitive advantages, markets, etc. Our primary investment strategy is the use of long term purchases (securities generally held for at least a year).

The securities we use in our investment strategies and investment advice include equity securities such as exchange listed securities, securities traded over the counter and foreign issues; warrants; debt securities of corporations and similar entities; commercial paper; certificates of deposit; municipal and government securities and investment company securities such as mutual fund shares.

Investing in securities such as the types of securities used by us in managing your assets or providing you investment advice involves the potential risk of loss in the value of the securities both in the amount invested in the securities as well as any profits which have not been realized by selling the securities. You should be prepared to bear the risk of such losses. The degree of risk depends upon the type of security or strategy involved.

DISCIPLINARY HISTORY

This section does not apply to Delta Asset Management, LLC or any of its employees.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

The following firms are affiliated with Delta based on common ownership interest through our majority owner, WealthTrust, LLC:

Kanawha Capital Management, LLC – investment adviser
Duncker Streett & Co., LLC – investment adviser
Harvey Investment Company, LLC – investment adviser
WealthTrust Arizona, LLC – investment adviser
WealthTrust Axiom, LLC – investment adviser
WealthTrust Fairport, LLC – investment adviser
GFS Advisors, LLC – investment adviser
Leonetti & Associates, LLC – investment adviser
SMH Capital Advisors, LLC – investment adviser
The Rikoon Group, LLC – investment adviser
Global Financial Services, LLC – broker dealer
Kissinger Financial Services, LLC – investment adviser

However, Delta does not have a relationship or arrangement with any of these affiliated firms which is material to our business or to our clients.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Delta has adopted a written Code of Ethics under which all our full time employees are generally restricted from effecting transactions in securities for their personal accounts absent written pre-approval by our chief compliance officer or designee in order to seek to avoid conflicts of interest with transactions being effected in client accounts. Our employees may buy or sell the same securities that we recommend that our clients invest in or that we purchase or sell on our clients' behalf. This presents a conflict of interest between our employees' own financial interest and the best interest of our clients. We have addressed this conflict of interest by imposing trading restrictions under the Code of Ethics which include restrictions on our employees' personal trading based upon investment activity occurring in, or being contemplated for, our clients' accounts. There are certain exceptions from the pre-clearance requirements for transaction which we do not believe present a conflict of interest between our employees and our clients such as where our employees receive the same averaged price and incur the same proportional transaction costs as our clients through a block order of equity securities.

Pre-approval must also be obtained by employees before investing in initial public offerings of securities and before investing in a private placement of securities. Our employees are required to submit quarterly reports relating to their personal transactions and an annual report of their personal securities holdings to us. Our Code of Ethics also contains policies and procedures which are intended to prevent the misuse of material non-public information. A copy of our Code of Ethics is available to you upon request by contacting us through the contact information provided on the Cover Page of this brochure.

BROKERAGE PRACTICES

Delta considers the following factors in selecting or recommending brokerage firms for your transactions and in determining the reasonableness of the compensation or other remuneration paid to the brokerage firms:

Quality of Support Services and Technology

Trade Implementation Costs

Value of Research and Related Information and Products Provided

Market Liquidity Provided

Confidentiality of Trading Intentions

Investment Styles (compatibility between Delta and the brokerage firm)

Financial Stability

Trade Error Resolution Process

Ability to Execute Difficult Trades

Other Factors Which May Be Identified By Delta From Time To Time

We have established an Execution Review Committee which periodically reviews our brokerage practices and the reasonableness of compensation or other remuneration paid to brokerage firms and monitors our efforts to seek best execution of client transactions.

Research and Other Soft Dollars Benefits: Where more than one brokerage firm satisfy our criteria, preference may be given to brokerage firms which provide us with certain brokerage and research services and products as allowed by law under Section 28(e) of the Securities Exchange Act of 1934 which Delta may use to execute client transactions even though the commissions or similar costs for particular transactions may be higher than the commissions or costs incurred by using another brokerage firm which does not provide Delta with these brokerage and research services or products. Payments to brokerage firms for these services through commission revenue rather than direct cash payments are referred to as “soft dollars”. Under these circumstances, we will make a good faith determination that the amount of commission is reasonable in relation to the value of the brokerage and research services or products provided by the brokerage firm(s) which we consider to be a significant benefit to our clients. We may use these brokerage and research services and products to benefit all of our clients’ accounts, not just those whose transactions paid for the services.

The brokerage and research services or products received by us under the arrangement described above include general investment research.

Our use of client brokerage commissions or similar costs for transactions to obtain brokerage or research services and products presents a conflict of interest to us because we do not have to internally produce the service or product or purchase it directly elsewhere. This also means that we will have a financial incentive to select or recommend brokerage firms which provide us such brokerage and research services or products rather than based on a consideration of the lowest commission cost to our clients. To address these conflicts, Delta uses a commission comparison report to review the reasonableness of commission amounts and rates used to obtain brokerage and research services and products described above. This review is conducted during meetings of our Execution Review Committee.

Charles Schwab & Co., Inc.: We may recommend or require that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab), a FINRA registered broker-dealer, member SIPC, to maintain custody of their assets and to effect trades for their accounts. Although we may recommend or require that clients establish accounts at Schwab, it is the client’s decision to custody assets with Schwab. Delta is independently owned and operated and not affiliated with Schwab.

Schwab provides us with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors such as Delta on an unsolicited basis, at no charge so long as a total of at least \$10 million of

the advisor's clients' assets are maintained in accounts at Schwab Institutional but are not otherwise contingent upon our committing to Schwab any specific amount of business such as assets in custody or trading commissions. These 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 such as our clients through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts maintained by our clients.

Schwab Institutional 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 accounts, including accounts not maintained at Schwab.

Schwab's products and 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 our fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting. Included in the products and services provided by Schwab to us is Reuters which is a platform to access sell side research and financial news.

Schwab Institutional 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 Institutional 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 Institutional may also provide other benefits to our employees such as educational events or occasional business entertainment. In evaluating whether to recommend or require that our 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 base our evaluation on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a conflict of interest since our recommendation that our clients maintain accounts at Schwab may be based in part on the availability to Delta of all or some of the products or services described above.

TD Ameritrade, Inc.: We participate in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors such as Delta services which include custody of

securities, trade execution, clearance and settlement of transactions. We receive some benefits from TD Ameritrade through our participation in the Program.

As stated above, Delta participates in TD Ameritrade's institutional customer program and we may recommend TD Ameritrade to our clients for custody and brokerage services. There is no direct link between our participation in the Program and the investment advice we give to our clients, although we do receive economic benefits through our participation in the Program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk designated to serving us; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from our client accounts held at TD Ameritrade; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by us or by our related persons or entities. Some of the products and services made available by TD Ameritrade through the Program may benefit us but may not benefit our clients' accounts directly although may assist us in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by us or our employees through participation in the Program do not depend on the amount of brokerage transactions directed to TD Ameritrade by us. As part of our fiduciary duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by us or our related persons or entities in and of itself creates a potential conflict of interest and may indirectly influence the Delta' choice of TD Ameritrade for custody and brokerage services.

Directed Brokerage: We will execute transactions through a particular brokerage firm as a result of your decision to direct us to execute transactions through a particular brokerage firm or as a result of your decision to participate in a "wrap fee" arrangement in which case trades are generally executed through the brokerage firm with which you have entered into the "wrap fee" arrangement. In this situation, you will be responsible for negotiating the commission rates you pay, not us. You should be aware of our inability to negotiate commissions, obtain volume discounts and that best execution may not be achieved for transactions in your account(s). As a result, transactions in accounts directed by you to a particular brokerage firm may result in higher commissions, greater spreads or less favorable net prices than would be the case if we were authorized to choose the brokerage firm through which to execute transactions for your account(s).

You should also be aware that disparities in commission charges for similar transactions in accounts in different clients of ours may exist and that there is a conflict of interest arising from such directed brokerage practices. You should be aware that transactions for accounts which we have been instructed by you, or by the brokerage firm in the event of a wrap fee arrangement, to direct to a specified

brokerage firm may be placed subsequent to transactions we enter for client accounts where we determine the brokerage firm through which to execute transactions for clients. This may result in less favorable execution for those accounts where we have been instructed by you to direct trades to a specified brokerage firm for execution.

You should be aware that you have brokerage options which you should consider other than instructing us to direct to your transactions to a particular brokerage firm including the use by us of other brokerage firms we determine to use for execution of client transactions possibly at a lower commission cost and that this option may be available through us.

Blocked Transactions: We may group or block orders from time to time for the same security for more than one client account at the same custodian in order to more effectively execute the orders. This is what is known as a “block transaction”. This process can create trading efficiencies, prompt attention to the order and improve price execution since the block transaction may be executed at various prices but averaged as to price. Personal transactions of our employees may be included in such block transactions. Where such block transactions are not fully executed, we will seek to allocate the executed portion of the block transaction on a basis which we consider fair to our clients over time. Generally, this will mean a pro rata allocation or allocation on a rotational basis although we may, in certain circumstances, allocate purchases or sales on some other basis, after consideration of factors such as taxability of the account, cash available for investment, asset mix of the account, objectives and restrictions of the account, company and industry concentrations, broker designations specified by the client, size of the execution versus the total order size, and partial positions versus full positions. Any employee transactions will be excluded from block transactions which are not fully executed.

Trade Errors: Errors in executing client transactions may occur from time to time which we will seek to correct on a timely basis so that you will not incur a loss or other costs as a result of any such errors. Any loss or costs incurred as a result of the correction of such errors will be borne by us or by your broker/custodian while any market gains result from the correction of such errors will usually be retained by your broker/custodian or by you.

REVIEW OF ACCOUNTS

Our clients’ accounts are reviewed on a continuous basis by the individual portfolio manager with primary responsibility for the particular account and on an annual basis by our Investment Committee made up of our portfolio managers: Myron Mall, Managing Director; Edward Taylor, II, Managing Director; Alan Catmur, Senior Vice President; William Gates, Vice President., and David Cooke, Vice President. Factors which may trigger more frequent reviews include change in client investment objectives or circumstances such as retirement or a large contribution or withdrawal to or from an account, significant developments or events specific to a particular security held in the account, or significant market, economic or political developments.

We will provide you written reports concerning your account(s) with us on at least a quarterly basis. These quarterly reports will include total cost basis for each security as well as market value and income yield and the current and historical performance for the account and possibly grouped with other accounts related to you. This report will also include an invoice for our quarterly fee. If you are involved in a wrap fee arrangement as described in the section on Advisory Business, you may receive reports including those assets of yours for which we are providing services. This report will come directly from the brokerage firm which created the wrap fee arrangement. You should also receive written reports directly from your custodian concerning your account(s) which generally contain information relating to all transactions and other account activity.

CLIENT REFERRALS AND OTHER COMPENSATION

We may from time to time enter into written agreements with other persons or companies who refer potential clients to us in exchange for a referral or solicitor fee which typically is a percentage of the fee we receive from the referred client for our services or a percentage of the value of the referred account. This means that the persons or companies who refer potential clients to us as described will have a financial interest in your selecting us to provide you services. If you are referred to us through an arrangement like this, you will receive a written document which will disclose that we have an arrangement with the solicitor, any affiliation between us and the solicitor, and a description of the compensation the solicitor will receive from us if you establish an account with us. The fee we charge you for our services will not be increased as a result of our use of these referral arrangements.

Charles Schwab & Co., Inc.: We receive client referrals from Charles Schwab & Co., Inc. ("Schwab") through our participation in Schwab Advisor Network® (the "Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a brokerage firm independent of and unaffiliated with us. Schwab does not supervise us and has no responsibility for our management of your assets or our other advice or services. We pay Schwab fees to receive client referrals through the Service. Our participation in the Service may raise conflicts of interest as described below.

We pay Schwab a Participation Fee on all referred client accounts that are maintained in custody at Schwab and Non-Schwab Custody Fee on all client accounts that are maintained at, or transferred to, another custodian. The Participation Fee is a percentage of the fees the client pays us or a percentage for the value of the assets in your account, subject to a minimum Participation Fee. We pay Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab and under the management of Delta. The Participation Fee is charged to us quarterly and may be increased, decreased or waived by Schwab from time to time. The Participation Fee is paid by us and not by you. We have agreed not to charge clients referred through the Service fees or costs greater than the fees or costs we charge clients with similar accounts with us who were not referred to us through the Service.

We generally pay Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in your account are transferred from, Schwab. This Fee does not apply if the client was solely responsible for the decision to not maintain custody at Schwab. The Non-Schwab

Custody Fee is higher than the Participation Fees we generally pay in a single year. Thus, we will have an incentive to recommend that your accounts be held in custody at Schwab.

The Participation and Non-Schwab Custody Fees will be based on assets in accounts of our clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, we will have an incentive to encourage household members of our clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit our fees directly from your account.

Clients of ours who maintain custody of their accounts at Schwab will not be charged separately for custody but Schwab will receive compensation from our clients in the form of commissions or through transaction related compensation on securities transactions executed through Schwab. Schwab also will receive a fee (generally lower than the commissions on transactions it executes) for clearance and settlement of transactions executed through brokerage firms other than Schwab. Schwab's fees for transactions executed at other brokerage firms are in addition to the other brokerage firm's fee. Thus, we will have an incentive to cause transactions to be executed through Schwab rather than through another brokerage firm although we understand we have a duty to seek best execution of our clients' transactions. Transactions for client accounts maintained in custody at Schwab may be executed through a different brokerage firm than trades for our other clients so transactions in accounts maintained in custody at Schwab may be executed at different times and different prices than transactions in client accounts that are executed at other brokerage firms.

TD Ameritrade, Inc.: Delta may also receive client referrals from TD Ameritrade, Inc. ("TD Ameritrade") through our participation in TD Ameritrade's AdvisorDirect referral program. In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, we may have been selected to participate in AdvisorDirect based on the amount and profitability to TD Ameritrade of the assets in, and trades placed for, client accounts of ours maintained with TD Ameritrade. TD Ameritrade is a discount broker-dealer independent of and unaffiliated with Delta and there is no employee or agency relationship between them and us. TD Ameritrade has established AdvisorDirect as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisors such as Delta. TD Ameritrade does not supervise us and has no responsibility for our management of client portfolios or our other advice or services. Delta pays TD Ameritrade an on-going fee for each successful client referral. This fee is usually a percentage (not to exceed 25%) of the advisory fee that the client pays to us ("Solicitation Fee"). We will also pay TD Ameritrade the Solicitation Fee on any advisory fees received by us from any of a referred client's family members, including a spouse, child or any other immediate family member who resides with the referred client and hired Delta on the recommendation of such referred client. We will not charge clients referred through AdvisorDirect any fees or costs higher than our standard fee schedule offered to our clients or otherwise pass Solicitation Fees paid to TD Ameritrade by us on to our clients. For information regarding additional or other fees paid directly or indirectly to TD Ameritrade, please refer to the TD Ameritrade AdvisorDirect Disclosure and Acknowledgement Form which each client referred to us through AdvisorDirect signs when establishing an account with us.

Delta's participation in AdvisorDirect raises potential conflicts of interest since TD Ameritrade will most likely refer clients through AdvisorDirect to investment advisors that encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to obtain client referrals from TD Ameritrade, Delta may have an incentive to recommend to clients that their assets under management by us be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. In addition, we have agreed not to solicit clients referred to us through AdvisorDirect to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when our fiduciary duties require otherwise doing so. Delta's participation in AdvisorDirect does not diminish our duty to seek best execution of trades for our clients' accounts.

Please refer to the section on Brokerage Practices in our brochure for information on other economic benefits we may receive for providing services to you.

CUSTODY

In addition to any account statements you may receive from us, you will receive account statements directly from your custodian on at least a quarterly basis although you may receive them on a monthly basis. You should carefully review these statements and compare these statements to statements you receive from us for any discrepancies. You should also remember that the statements you receive from your custodian are your official record of your accounts and assets for tax purposes.

Delta is deemed to have custody of those client assets held in accounts for which the client has authorized Delta to directly debit its management fees from the client's custodial account although the assets in those accounts are maintained separately with a qualified custodian.

INVESTMENT DISCRETION

We will accept discretionary investment authority over your assets if you agree to such an arrangement. This is typically accomplished through execution of a limited trading authority contained in your client agreement with us or through similar authority contained in a wrap fee arrangement you may execute with the brokerage firm which established the wrap fee arrangement. When executing your client agreement with us, you can further limit the extent of discretionary investment authority to be granted to us although this may impact the level of services we can provide you. You may also place restrictions on our authority such as instructions not to make investments in certain industries or to not sell certain investments you may have due to possible adverse tax consequences to you.

VOTING CLIENT SECURITIES

We have policies and procedures in place for voting proxies relating to certain investments in your account(s) with us designed to result in the voting of proxies in our clients' best interests. We generally adhere to predetermined voting guidelines and will typically vote with recommendations from the management of the particular investment in your account. Proxies relating to securities held in our Model Portfolio are reviewed by our research department prior to voting by us which will generally adhere to the predetermined voting guidelines unless the Investment Committee determines that a vote contrary to the guidelines is in the best financial interest of our clients. Any such vote will be agreed to by all members of the Investment Committee and documented in writing. We do not vary from our guidelines due to any potential conflict of interest we may have including business or personal relationships with management or other business interests or considerations. Generally, we do not allow clients to instruct us how to vote specific proxies although we will consider such instructions upon request. You may obtain a complete copy of our policies and procedures for voting proxies and a record of how we have voted the proxies for your investments by contacting us through the contact information we included on the Cover Page of this brochure.

FINANCIAL INFORMATION

This section does not apply to Delta Asset Management, LLC as we have never filed for bankruptcy nor are we subject to any financial conditions which could impair our ability to meet our obligations to you.