

**AFW Wealth Advisors  
3020 Westchester Avenue  
Purchase, New York 10577**

**Phone: 914-696-5300  
Fax: 914-696-5308  
Web Site: [www.afw.com](http://www.afw.com)**

**January 11, 2011**

**FORM ADV PART 2A.  
BROCHURE**

**This brochure provides information about the qualifications and business practices of AFW Wealth Advisors. If you have any questions about the contents of this brochure, please contact us at 914-696-5300. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State securities authority.**

**Additional information about AFW Wealth Advisors is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for AFW Wealth Advisors is 108314.**

**AFW Wealth Advisors is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

## Table of Contents

<b><i>Advisory Business.....</i></b>	<b><i>1</i></b>
<b><i>Fees and Compensation.....</i></b>	<b><i>6</i></b>
<b><i>Performance-Based Fees and Side-By-Side Management.....</i></b>	<b><i>9</i></b>
<b><i>Types of Clients.....</i></b>	<b><i>10</i></b>
<b><i>Methods of Analysis, Investment Strategies and Risk of Loss.....</i></b>	<b><i>11</i></b>
<b><i>Disciplinary Information .....</i></b>	<b><i>12</i></b>
<b><i>Other Financial Industry Activities and Affiliations.....</i></b>	<b><i>13</i></b>
<b><i>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....</i></b>	<b><i>14</i></b>
<b><i>Brokerage Practices.....</i></b>	<b><i>15</i></b>
<b><i>Review of Accounts.....</i></b>	<b><i>17</i></b>
<b><i>Client Referrals and Other Compensation.....</i></b>	<b><i>18</i></b>
<b><i>Custody.....</i></b>	<b><i>20</i></b>
<b><i>Investment Discretion .....</i></b>	<b><i>21</i></b>
<b><i>Voting Client Securities .....</i></b>	<b><i>22</i></b>
<b><i>Financial Information.....</i></b>	<b><i>23</i></b>
<b><i>Requirements for State-Registered Advisers.....</i></b>	<b><i>24</i></b>
<b><i>Additional Information .....</i></b>	<b><i>25</i></b>

## Advisory Business

Form ADV Part 2A, Item 4

AFW Wealth Advisors' registration was granted by the U.S. Securities and Exchange Commission on October 27, 1993. Jay Warren Furst (CRD Number 1775883) is the principal owner of the firm. The firm is not publicly owned or traded. As of December 31, 2010, the firm managed, on a discretionary basis, \$149,402,000 which represented 659 accounts and \$699,000 on a nondiscretionary basis which represented 11 accounts. The firm manages client assets on an individualized basis.

### INTRODUCTION

This brochure provides information about the qualifications and business practices of AFW Asset Management Inc., an SEC-registered investment adviser. AFW Asset Management Inc. primarily conducts its advisory business under the name AFW Wealth Advisors (AFW). Please contact Jay Furst, Principal and Chief Compliance Officer of AFW, if you have any questions about the contents of this brochure. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State securities authority.

Additional information about AFW is available on the Internet at

[www.adviserinfo.sec.gov/IAPD/Content/Search/iapd\\_OrgSearch.aspx](http://www.adviserinfo.sec.gov/IAPD/Content/Search/iapd_OrgSearch.aspx). You can search this site by a unique identifying number, known as a CRD number. The CRD number for AFW is **108314**.

### WEALTH MANAGEMENT

AFW's Wealth Management Program ("WMP") is a comprehensive investment advisory service that bundles together AFW's service components for one advisory fee. All WMP clients have the full range of services available to them but may only use one or more, as appropriate to their individual needs and objectives. AFW offers the WMP to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, and corporations or other business entities.

## **INVESTMENT SERVICES**

### **Portfolio Management**

AFW provides advice to a client regarding investment of client funds based on the individual needs of the client. AFW creates and manages portfolios based on each client's goals and personal circumstances. Determination of these goals and circumstances occurs primarily through personal discussions with the client. AFW will manage advisory accounts on a discretionary and non-discretionary basis. Account supervision is guided by the stated objectives of the client (e.g., maximum capital appreciation, growth, income, or growth and income).

AFW typically creates a portfolio that consists of individual equities, bonds and other fixed income securities, exchange traded funds ("ETFs"), mutual funds, and options. The mutual funds and ETFs will be selected on the basis of any or all of the following criteria: performance history; the industry sector in which the fund invests; the track record of the manager of the fund; the investment objectives of the fund; the management style and philosophy of the fund; and the fund's management fee structure. Each client's individual needs and circumstances will determine portfolio weighting between funds and market sectors.

AFW may also recommend that a portion of a client's assets be managed by money managers unaffiliated with AFW. Based on a client's individual circumstances and needs, AFW will determine which unaffiliated money manager's portfolio management services are appropriate for that client. Factors considered in making this determination include account size, risk tolerance, the opinion of each client, and the investment philosophy of the manager. Once a money manager has been selected, AFW will provide the selected manager with the client's needs, objectives and any other information necessary for that manager to properly manage the client's assets. AFW will also notify the manager of any change in a client's circumstances that would necessitate a change in the manner and/or style in which the client's account is managed.

AFW will monitor the performance of the selected money manager(s). If AFW determines that a particular selected manager is not providing sufficient management services to the client, or is not managing the client's portfolio in a manner consistent with the client's circumstances and needs, AFW will recommend that the client's assets be placed elsewhere.

Clients will have the opportunity to place reasonable restrictions on the types of investments that will be made on the client's behalf and will retain individual ownership of all securities.

When appropriate to the needs of the client, AFW may recommend the use of the following investment strategies: trading (i.e., securities sold within 30 days), short sales, margin transactions, or option writing. Because these strategies involve certain additional degrees of risk, they will only be recommended when consistent with the client's stated tolerance for risk.

### **Financial Planning**

AFW also provides advice in the form of a financial plan. Clients who elect to receive financial planning will receive a written report or verbal advice targeted to their financial goals and objectives. Plans will vary from client to client but could address any or all of the following areas:

- *Personal*: Family records, budgeting and cash flow analysis, and the identification and setting of appropriate financial goals.

- *Education*: Development of an education plan that helps the client understand, analyze and maximize college funding opportunities and set realistic, achievable savings goals.

- *Tax Planning*: Help the client maximize their overall after-tax financial gains, minimize losses and understand the tax impact of various investments. AFW does not prepare tax returns but will work closely with a client's tax professional.

- *Asset and Income Protection*: Assess protection against financial loss in the following areas: life, disability, homeowners, automobile and personal liability.

- *Estate Planning*: Help client understand existing estate documents and, if desired, work with client's estate attorney to implement a plan best suited to their specific goals and objectives.
- *Retirement*: Analysis of current strategies and investment plans to help the client achieve his or her retirement goals.
- *Investments*: Analysis of investment alternatives and their effect on a client's portfolio.

AFW gathers required information through in-depth personal interviews with the client. Information gathered includes a client's current financial status, future goals and attitudes towards risk. Related documents supplied by the client are carefully reviewed and written or verbal guidance is prepared. AFW assists clients with the implementation of the investment-related recommendations in the financial plan and suggests the client work closely with his/her attorney, accountant, and/or insurance agent to implement the other plan recommendations.

Financial planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company.

## **Consulting**

Clients can receive further investment advice on an isolated area(s) of financial concern such as estate planning, retirement planning, review of current holdings in self-directed portfolios or in portfolios held with other investment advisers, brokers or fund companies, or any other specific topic.

Additionally, AFW provides advice on non-securities matters. Generally, this is in connection with the rendering of estate planning, insurance, and/or annuity advice. AFW also provides administrative services regarding investment and financial concerns of the client. Consulting recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company.

**Pension Consulting**

AFW provides pension consulting services which consist primarily of selecting funds for the plan and providing education services to plan participants. The fee charged for this service is generally 75 basis points and fees are charged quarterly and in advance.

**Disclosure Statement**

A copy of AFW's Brochure disclosure document shall be provided to each client prior to or contemporaneously with the execution of the investment advisory agreement. Any client who has not received a copy of AFW's written disclosure statement at least 48 hours prior to executing the investment advisory agreement shall have five business days subsequent to executing the agreement to terminate AFW's services without penalty.

## Fees and Compensation

Form ADV Part 2A, Item 5

### FEE SCHEDULE

The annual fee for the WMP will be charged as a percentage of assets under management, according to the following schedule:

Assets Under Management Annual Fee (%)

Up to \$5,000,000 1.00%

\$5,000,001 to \$10,000,000 0.75%

Greater than \$10,000,000 0.50%

AFW generally requires an aggregate minimum annual fee of \$5,000 for these services. However, AFW, in its sole discretion, may reduce its minimum annual fee and/or charge a lower annual fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, etc.). AFW may also group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Clients will be invoiced or have their account directly debited, as authorized, 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. AFW will not directly debit any client account without receiving written authorization from the client.

As noted above, AFW's annual investment advisory fee is for discretionary investment advisory services, non-discretionary investment advisory services, financial planning, and consulting services. In the event that the client requires extraordinary planning and/or consultation services (to be



determined in the sole discretion of AFW), AFW will charge an additional fee for such services, the dollar amount of which shall be set forth in a separate written notice to the client.

AFW's fee for the WMP does not include the fee of any independent money managers. The independent money managers management fee is disclosed in said managers disclosure document (Part II of Form ADV or other disclosure document in lieu of Part II.) and/or the investment management agreement between the independent money manager and the client.

In limited circumstances, AFW may be retained to provide financial planning or consulting services only. AFW's fees for these services will be charged on an hourly basis with the minimum fee being \$250 per hour. A retainer may be requested upon completion of AFW's fact-finding session with the client. However, advance payment will not exceed \$500 for work that will not be completed within six months. The balance will be due upon completion of the plan or consulting service.

AFW's financial planning and/or consulting fee(s) will be 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.

The length of time it will take to provide a financial plan or consulting service will also depend on the complexity of each client's circumstances. Typically, the financial plan will be 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 by the client.

## **GENERAL INFORMATION**

### **Negotiability of Fees**

Generally, AFW's fees are not negotiable. However, AFW reserves the right to reduce its fees under certain limited circumstances. For example, certain family members and personal acquaintances of

AFW's affiliated persons may receive advisory services at a discounted rate which is not available to advisory clients generally.

### **Fee Calculation**

The fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client (Section 205(a)(1) of the Advisers Act).

### **Advisory Fees in General**

Clients should note that similar advisory services may (or may not) be available from other registered investment advisers for similar or lower fees.

### **Other Fees and Expenses**

All fees paid to AFW for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs (collectively, the Funds) to their shareholders. 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 could invest in a Fund directly, without the services of AFW. In that case, the client would not receive the services provided by AFW which are designed, among other things, to assist the client in determining which 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 the fees charged by AFW to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

In addition, clients are responsible for the fees and expenses charged by custodians, broker-dealers, and insurance companies. Such fees may include, but are not limited to, any transaction charges, fees for duplicate statements and transaction confirmations, and fees for electronic data feeds and reports.

### **Termination**

A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

**Performance-Based Fees and Side-By-Side Management**

Form ADV Part 2A, Item 6

None.

## **Types of Clients**

Form ADV Part 2A, Item 7

### **TYPES OF CLIENTS**

Individuals, pension plans, profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

### **CONDITIONS FOR MANAGING AN ACCOUNT**

AFW requires a minimum advisory fee of \$5,000. This fee minimum may be negotiable under certain limited circumstances.

Please refer to pages 6-7 of this narrative for complete details regarding AFW's conditions for managing client accounts.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

Form ADV Part 2A, Item 8

### **METHODS OF ANALYSIS**

Charting, fundamental analysis, technical analysis.

### **INVESTMENT STRATEGIES**

Long term purchases, short term purchases, trading, short sales, option strategies and margin transactions.

**Disciplinary Information**

Form ADV Part 2A, Item 9

None.

**Other Financial Industry Activities and Affiliations**

Form ADV Part 2A, Item 10

None.



## **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Form ADV Part 2A, Item 11

### **CODE OF ETHICS**

AFW or individuals associated with AFW may, for their own accounts, buy or sell securities identical to or different than those recommended to clients. As these situations present a conflict of interest, AFW has adopted a Code of Ethics which sets forth ethical standards of business conduct that it requires of its employees, including compliance with applicable state and federal securities laws.

AFW's Code of Ethics stresses that no person it employs shall prefer his/her own interests to those of advisory clients and it prohibits the use of material non-public information. AFW requires that anyone associated with this advisory practice with access to advisory recommendations, client holdings, or other specified information, provide annual securities holdings reports and quarterly transaction reports of all reportable transactions to the firm's designated officer. These reports are made available to an appropriate regulatory agency upon request and will be reviewed on a regular basis by the Chief Compliance Officer of AFW, or his/her designee, to supervise compliance with the firm's Code of Ethics. Among other things, AFW's Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering.

AFW's Code of Ethics provides for sanctions when appropriate. Clients and prospective clients may obtain a copy of the firm's Code of Ethics upon request by contacting the firm's Chief Compliance Officer at AFW's principal office address.

## Brokerage Practices

Form ADV Part 2A, Item 12

### **DIRECTED BROKERAGE**

As AFW does not have the discretionary authority to determine the broker-dealer to be used or the commission rates to be paid, clients must direct AFW as to the broker-dealer to be used. AFW requests that clients direct AFW to place trades through TD AMERITRADE, Inc. ("TD AMERITRADE"), a FINRA/SIPC member and an unaffiliated SEC registered broker-dealer. AFW has evaluated TD AMERITRADE and believes that it will provide AFW clients with a blend of execution services, commission costs and professionalism that will assist AFW in meeting its fiduciary obligations to clients.

AFW participates in the institutional customer program offered by TD AMERITRADE INSTITUTIONAL. TD AMERITRADE INSTITUTIONAL is a division of TD AMERITRADE. TD AMERITRADE offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. AFW receives some benefits from TD AMERITRADE through its participation in the program.

AFW reserves the right to decline acceptance of any client account for which the client directs the use of a broker-dealer other than TD AMERITRADE if AFW believes that this choice would hinder its fiduciary duty to the client and/or its ability to service the account. In directing the use of TD AMERITRADE it should be understood that AFW will not have authority to negotiate commissions or to necessarily obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to the client and those charged to other clients (who may direct the use of another broker-dealer). Clients should note, while AFW has a reasonable belief that TD AMERITRADE is able to obtain best execution and competitive prices, AFW will not be independently seeking best execution price capability through other broker-dealers.

## **BLOCK TRADING**

AFW may block trades where appropriate and when advantageous to clients. The blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts. Block trading may permit equity trades to be executed in a more timely and equitable manner while allowing AFW to obtain an average share price for clients participating in the block.

AFW may not be able to block trades for client accounts who direct the use of a broker other than TD AMERITRADE, and therefore a disparity in commission charges may exist between the commissions charged to other clients.

Trades for affiliated accounts, such as accounts of AFW's affiliated persons, may be included in AFW client block trades. Please refer to the disclosure at the end of this brochure for a description of AFW's aggregation policy.

## **Review of Accounts**

Form ADV Part 2A, Item 13

### **ACCOUNT REVIEWS AND REPORTS**

#### **Reviews**

While the underlying securities within client accounts and the performance of the money manager(s) selected to manage client portfolios are continuously monitored, these accounts are reviewed at least monthly. 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.

Financial plans are typically reviewed as often as necessary based on changes to clients' needs and circumstances.

All reviews are conducted by Jay W. Furst, Principal and Chief Compliance Officer of AFW, or Cheryl A. Costa, Managing Director of AFW.

#### **Reports**

In addition to the monthly/quarterly statements and the confirmations of transactions that clients receive from their broker-dealer/custodian, AFW will provide quarterly reports summarizing account performance, balances, and holdings.

## **Client Referrals and Other Compensation**

Form ADV Part 2A, Item 14

### **COMPENSATION FOR CLIENT REFERRALS**

AFW may, from time to time, compensate, either directly or indirectly, any person (defined as a natural person or a company) for client referrals. AFW is aware of the special considerations promulgated under Section 206(4)-3 of the Investment Advisers Act of 1940 and similar state regulations. As such, appropriate disclosure shall be made, all written instruments will be maintained by AFW, and all applicable Federal and/or State laws will be observed.

Any such referral fee shall be paid solely from AFW's investment management fee, and shall not result in any additional charge to the client.

### **ADDITIONAL COMPENSATION**

AFW participates in TD AMERITRADE's INSTITUTIONAL customer program and AFW will recommend TD AMERITRADE to clients for custody and brokerage services. There is no direct link between AFW's participation in the program and the investment advice it gives to its clients, although AFW receives economic benefits through its 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): duplicate client statements and confirmations; research-related products and tools; consulting services; access to a trading desk serving advisor participants; 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 client accounts; 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 AFW by third party vendors. TD AMERITRADE may also have paid for business consulting and professional services received by AFW's related persons and may also pay or reimburse expenses (including travel, lodging, meals and entertainment expenses) for AFW's personnel to attend conferences or meetings relating to the program or to AFW's advisor custody and brokerage services generally.

Some of the products and services made available by TD AMERITRADE through the program may benefit AFW but may not benefit its client accounts. These products or services may assist AFW in managing and administering client accounts, including accounts not maintained at TD AMERITRADE. Other services made available by TD AMERITRADE are intended to help AFW manage and further develop its business enterprise. The benefits received by AFW (or its personnel) through participation in the program do not depend on the amount of brokerage transactions directed to TD AMERITRADE. Clients should be aware, however, that the receipt of economic benefits by AFW or its related persons in and of itself creates a potential conflict of interest and may indirectly influence AFW's recommendation of TD AMERITRADE for custody and brokerage services.

AFW also receives from TD AMERITRADE certain additional economic Benefits ("Additional Services") that may or may not be offered to any other independent investment advisors participating in the program. Specifically, the Additional Services include Interactive Data, Back Office Solutions, Junxure, Morningstar and Ned Davis Research which provide certain portfolio management and performance reporting capabilities and encompass research, sales, diagnostic, reporting and portfolio tools. TD AMERITRADE provides the Additional Services to AFW in its sole discretion and at its own expense, and AFW does not pay any fees to TD AMERITRADE for the Additional Services. AFW and TD AMERITRADE have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

AFW's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to AFW, TD AMERITRADE most likely considers the amount and profitability to TD AMERITRADE of the assets in, and trades placed for, AFW's client accounts maintained with TD AMERITRADE. TD AMERITRADE has the right to terminate the Additional Services Addendum with AFW, in its sole discretion, provided certain conditions are met. Consequently, in order to

continue to obtain the Additional Services from TD AMERITRADE, AFW may have an incentive to recommend to its clients that the assets under management by AFW be held in custody with TD AMERITRADE and to place transactions for client accounts with TD AMERITRADE. AFW's receipt of Additional Services does not diminish its duty to act in the best interests of its clients, including seeking best execution of trades for client accounts.

**Custody**

Form ADV Part 2A, Item 15

None.



## **Investment Discretion**

Form ADV Part 2A, Item 16

### **INVESTMENT DISCRETION**

For clients granting AFW discretionary authority to determine which securities and the amounts of securities that are to be bought or sold for the clients account(s), AFW requests that such authority be granted in writing. Should the client wish to impose reasonable limitations on this discretionary authority, such limitations shall be included in this written authority statement. Clients may change/amend these limitations as desired. Such amendments shall be submitted in writing.

Advisory clients who elect not to grant such discretionary authority to AFW are advised that trades in their accounts will typically be executed subsequent to trades effected in discretionary accounts due to the time involved in obtaining the requisite client approval. Consequently, these clients may not participate in blocked trades and there may be a difference in the price paid per share of a given security and the commission rates paid by these clients as compared to other clients.

## **Voting Client Securities**

Form ADV Part 2A, Item 17

### **PROXY DISCLOSURE**

As a matter of firm policy and practice, AFW does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. However, AFW may provide advice to clients regarding the clients voting of proxies.

### **Financial Information**

Form ADV Part 2A, Item 18

The firm does not receive fees more than six months in advance.

**Requirements for State-Registered Advisers**

Form ADV Part 2A, Item 19

Not applicable.

## **Additional Information**

### **Client Obligation**

Clients should promptly notify AFW if there is ever any change in his/her/its financial situation or investment objectives.

### **Class Actions, Bankruptcies and other Legal Proceedings**

AFW will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the clients account(s), including, but not limited to, the filing of Proofs of Claim in class action settlements. If desired, clients may direct AFW to transmit copies of class action notices to the client or a third party. Upon such direction, AFW will make commercially reasonable efforts to forward such notices in a timely manner.

### **TRADE AGGREGATION POLICY**

AFW may aggregate trades for itself or for its associated persons with client trades, providing that the following conditions are met:

- 1) AFW's policies for the aggregation of transactions shall be fully disclosed in this Form ADV and separately to AFW's existing clients and the broker-dealer through which such transactions will be placed;
- 2) AFW will not aggregate transactions unless it believes that aggregation is consistent with its duty to seek best execution (which includes the duty to seek best price) for its clients and is consistent with the terms of AFW 's investment advisory agreement with each client for which trades are being aggregated;

- 3) No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all of AFW's transactions in a given security on a given business day, with transaction costs shared pro-rata based on each client's participation in the transaction;
- 4) AFW will prepare, before entering an aggregated order, a written spreadsheet (Allocation Spreadsheet) specifying the participating client accounts and how it intends to allocate the order among those clients;
- 5) If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the Allocation Spreadsheet; in the rare circumstance that an order is partially filled, it will typically be allocated on a random basis to the clients specified on the Allocation Spreadsheet;
- 6) Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Spreadsheet if all client accounts receive fair and equitable treatment and the reason for different allocation is explained in writing and is approved by AFW's compliance officer no later than one hour after the opening of the markets on the trading day following the day the order was executed;
- 7) AFW's books and records will reflect, for each client account, the orders of which are aggregated, the securities held by, and bought and sold for that account;
- 8) Funds and securities of clients whose orders are aggregated will be deposited with one or more qualified custodian, and neither the client's cash nor their securities will be held collectively any longer than is necessary to settle the purchase or sale in question on a delivery versus payment basis; cash or securities held collectively for clients will be delivered out to the custodian as soon as practicable following the settlement;
- 9) AFW will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation; and
- 10) Individual advice and treatment will be accorded to each advisory client.