

Item 1. Cover Page

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**This brochure provides information about the qualifications and business practices of Teakwood Financial Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at 713-465-9594 or email address rbw315@comcast.net. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about Teakwood Financial Advisors, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

June 26, 2012

## Item 2. Material Changes

None

## Item 3. Table of Contents

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#### Item 4. Advisory Business

Teakwood Financial Advisors, Inc. (Teakwood) began business in 1992. Robert B. Wall is the President, Chief Investment Officer (CIO), Chief Compliance Officer (CCO), sole shareholder and only employee.

Wall received a BBA from the University of Texas in 1959, with a major in Accounting and a minor in Finance. He worked for a family owned ready mix concrete company from 1959 to 1962 in Beaumont. In 1963 he moved to Houston, joined Price Waterhouse & Co. in the audit department, and earned his CPA certificate. In 1968 he joined Zapata Corporation and served as Controller; he was elected Executive Vice President and Chief Financial Officer and served in that position from 1970 to 1982. After managing his investments from 1983 to 1992 he organized Teakwood to assist friends in managing their investments.

Teakwood provides fee based Investment Management to their clients. Financial planning is not included in this fee.

Assets under management on December 31, 2011 were \$38,564,719.

#### Item 5. Fees and compensation

As compensation for investment management services, Teakwood receives a management fee from the Client, paid on a quarterly basis in arrears. The applicable quarterly fee is one fourth of the annual percentage shown in the table below. If a client has more than one account, the assets in all accounts are combined for the fee computation. It should be noted that all mutual funds charge management fees within the funds and these fees are incremental to those paid to Teakwood Financial Advisors, Inc.

<u>Value of Assets</u>	<u>Management Fee Annual Percentage</u>
\$ 500,000 or less	1.00
\$ 500,001 to 1,000,000	.75
\$ 1,000,001 to 1,500,000	.70
\$ 1,500,001 to 2,000,000	.60
\$ 2,000,001 and over	.50

.Clients may ask Teakwood to debit their account for fee payment. Invoices are furnished prior to the debit to confirm the requested payment.

Teakwood also provides Financial Planning and Consulting services. These services may include installation of computer and accounting systems, computer training, financial statement preparation, assistance in tax and estate planning, financing and loan negotiations, asset acquisitions, asset sales. Fees for these services are negotiated prior to initiating services and may include retainers.

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

Not applicable

#### Item 7. Types of Clients

Teakwood provides Advisory Services to:

- Individuals
- High Net Worth Individuals
- Trusts
- Estates

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

Methods of analysis include:

- Fundamental analysis of company financial statements
- Charting and Technical analysis of charts of past stock performance
- Industry analysis

Information sources include:

- Financial newspapers and magazines
- Research materials prepared by others
- Corporate rating services
- Annual Reports, Prospectuses, filings with the Securities and Exchange Commission
- Company press releases

Investment Strategies include:

- Purchase of equity securities
- Purchase of mutual funds
- Purchase of exchange traded funds
- Purchase of Master Limited Partnerships
- Asset allocation
- Time Horizon

After determining a client's risk tolerance and long term financial goals, an asset allocation strategy is developed to minimize risk.

**Investing in securities involves a risk of loss that clients should be prepared to bare.**

#### Item 9. Disciplinary Information

In 2003, Teakwood and Robert B. Wall were late in paying a renewal fee and therefore not properly registered and provided investment advisory services before renewal was completed. Teakwood was converting to electronic filing and was not aware of the due date for payment changed to December 31 from March 31. An administrative fine of \$2,000 each and reprimand was assessed against Teakwood and Wall.

#### Item 10. Other Financial Activities and Affiliations

Not applicable

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

The Code of Ethics of Teakwood Financial Advisors Inc. puts the Clients interest first and above any employee of the firm. Please call Robert Wall for clarification or questions regarding the Code of Ethics.

It is the policy of Teakwood and its employees not to misuse material nonpublic information in insider trading of securities.

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies person who open accounts. Teakwood knows their clients personally and is able to verify their identity and source of funds.

Teakwood does not have custody of funds and relies on Fidelity Investments to verify clients name, address, and date of birth, tax identification number, driver's license, and other identifying documents.

Employees of the firm may buy or sell securities that the firm recommends to clients. Client's purchases are placed ahead of employees. The clients cost could be more or less than the employees creating a conflict of interest. These trades are made within in minutes of each other and the difference is immaterial. Block trades are made, when possible, to eliminate the conflict.

#### Item 12. Brokerage Practices

Teakwood uses Fidelity Investments Wealth Services as Custodian and Broker. Clients are charged \$7.95 commission, if they receive their statements electronically or have a \$1,000,000 account. If their account is less than \$1,000,000 and is not received electronically, the commission rate is \$17.95. These same rates are available to retail clients.

Teakwood has used Fidelity for more than twenty years and is very satisfied with their custodian reporting service, financial stability, information technology, mutual funds, security execution, and interface with Teakwood's financial reporting software.

#### Item 13. Review of Accounts

Accounts are reviewed daily by Robert Wall, Teakwood's President, Chief Investment Officer (CIO), Chief Compliance Officer (CCO) and sole Shareholder and only employee.

Monthly statements are sent to Clients by Fidelity. Teakwood reconciles the clients accounts daily, prepares a quarterly portfolio performance and compares performance to related indices.

Clients are urged to reconcile their Fidelity statement to Teakwood's quarterly portfolio reports.

#### Item 14. Client Referrals and Other Compensation

Teakwood does not use any referral services nor pay any fees for referrals.

In the 2011, 86% of Teakwood's income was from Investment Management and 14% was from financial consulting and planning. There were no other sources of income.

#### Item 15. Custody

See Item 12. Brokerage Practices.

#### Item 16. Investment Discretion

Teakwood clients grant discretionary authority to initiate transactions in their account.

#### Item 17. Voting Client Securities

Teakwood will not vote or give advice about how to vote proxies for securities held in clients account.

#### Item 18. Financial Information

See Item 5 Fees and Compensation.

#### Item 19. Requirements for State-Registered Advisers

See Item 4 Advisory services

## Item 20. Investment Management Agreement

### INVESTMENT MANAGEMENT AGREEMENT

Teakwood Financial Advisors, Inc. ( Advisor) is hereby authorized to establish and maintain an Investment Management Account (Account) for the undersigned (Client) on the following terms and conditions:

1. Client will maintain title to and custody of assets in the account and receive monthly confirmations, transactions and statements from the custodian Fidelity Investments. Clients are encouraged to reconcile Quarterly reports provided by Teakwood to monthly reports from Fidelity.
2. Advisor will manage assets in the account in accordance with the agreed investment goals and receive copies of confirmations and statements.
3. Client will grant discretionary trading authority to Advisor to enable it to initiate transactions in the Account on Client's behalf.
4. Advisor will not assign this agreement to any other individual or entity without the written approval of Client.
5. After the end of each calendar quarter, Advisor will furnish Client with an analysis of the accounts performance and comparison to related indices.
6. As compensation for services, Advisor will receive a management fee from the Client, paid on a quarterly basis in arrears. The applicable quarterly fee is one fourth of the annual percentage shown in the table below. If a client has more than one account, the assets in all accounts are combined for the fee computation. It should be noted that all mutual funds charge management fees within the funds and these fees are incremental to those paid to Teakwood Financial Advisors, Inc.

<u>Value of Assets</u>	<u>Management Fee Annual Percentage</u>
\$ 500,000 or less	1.00
\$ 500,001 to 1,000,000	.75
\$ 1,000,001 to 1,500,000	.70
\$ 1,500,001 to 2,000,000	.60
\$ 2,000,001 and over	.50

Clients may ask Teakwood to debit their account for fee payment. Invoices are furnished prior to the debit to confirm the requested payment.

7. This agreement may be modified by mutual consent of the parties evidenced in writing and terminated by either party on five days notice.

8. Client acknowledges receipt of Part 2 of Form ADV Firm Brochure, if the client is entering into a wrap fee program sponsored by the investment adviser. If the appropriate disclosure statement was not delivered to the client at least 48 hours prior to the client entering into any written or oral advisory contract with this investment advisor, then the client has the right to terminate the contract without penalty within five business days after entering into the contract. For the purposes of this provision, a contract is considered entered into when all parties to the contract have signed the contract, or, in the case of an oral contract, otherwise signified their acceptance, any other provisions of this contract notwithstanding.

9. The Client authorizes the Advisor to provide information to the Client's attorneys and accountants upon their request for their use in providing services to the Client. Except as otherwise agreed in writing, or as required by law, however, the Advisor will keep private and confidential all information concerning the Client's identity, financial affairs, or investments.

10. Advisor will not vote, or give advice about how to vote proxies for securities held in the account.

11. By signing this agreement, the Client acknowledges receipt of Teakwood's Privacy Policy and ADV Part 2 Firm Brochure.

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Client

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Teakwood Financial Advisors, Inc.  
Robert B. Wall, President

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Date