

**Appalachian Capital Management, Ltd.**

**51461 Jennifer Lane, Suite 215**

**St. Clairsville, Ohio 43950**

**Tel. (740) 695-3434**

**Fax (740) 695-4877**

**12/31/2011**

**FORM ADV PART 2A  
BROCHURE**

This brochure provides information about the qualifications and business practices of Appalachian Capital Management, Ltd. If you have any questions about the contents of this brochure, please contact us at (740) 695-3434. 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 Appalachian Capital Management, Ltd is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Appalachian Capital Management, Ltd is 120038.

Appalachian Capital Management, Ltd 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.

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## Advisory Business

Form ADV Part 2A, Item 4

### **Description of Services and Fees**

Appalachian Capital Management, Ltd. is a registered investment adviser based in St. Clairsville, Ohio. We are organized as a corporation under the laws of the State of Ohio. We have been providing investment advisory services since 1992. John William Parkinson, is our principal owner. Currently, we offer Portfolio Management Services, which are personalized to each individual client.

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we", "our" and "us" refer to Appalachian Capital Management, Ltd. and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person throughout this brochure. As used in this brochure, our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

We use the terms "we" and "our" throughout this disclosure brochure to refer to John William Parkinson. The use of these terms is not intended to imply that there is more than one individual associated with this firm.

#### *Portfolio Management Services*

We offer discretionary portfolio management services. Our investment advice is tailored to meet our clients' needs and investment objectives. If you retain our firm for portfolio management services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information (the "suitability information") at the beginning of our advisory relationship. We will use the suitability information we gather to develop a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf. As part of our portfolio management services, we may customize an investment portfolio for you in accordance with your risk tolerance and investing objectives. We may also invest your assets using a predefined strategy, or we may invest your assets according to one or more model portfolios developed by our firm. Once we construct an investment portfolio for you, or select a model portfolio, we will monitor your portfolio's performance on an ongoing basis, and will rebalance the portfolio as required by changes in market conditions and in your financial circumstances.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow our firm to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm, a limited power of attorney, or trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing. If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account.

Our fee for portfolio management services is based on a percentage of your assets we manage at the annual rate of 1% of the market value of the managed portfolio. The market value is determined by the client's custodian. Our fee may be based upon the nature of the engagement, scope and/or complexity of services and/or portfolio, time to be incurred, pre-existing relationships, or other special situations, and at our discretion. Fees are agreed upon at the time of Engagement and may be modified by mutual agreement.

Our annual portfolio management fee is billed and payable quarterly in arrears based on the value of your account on the last day of the quarter.

If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances.

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when the following requirements are met:

- You provide our firm with written authorization permitting the fees to be paid directly from your account held by the qualified custodian.
- We send you an invoice showing the amount of the fee, the value of the assets on which the fee is based, and the specific manner in which the fee was calculated.
- The qualified custodian agrees to send you a statement, at least quarterly, indicating all amounts dispersed from your account including the amount of the advisory fee paid directly to our firm.

Alternatively, we will send you an invoice for the payment of our advisory fee. You may terminate the portfolio management agreement upon written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client.

We encourage you to reconcile our invoices with the statement(s) you receive from the qualified custodian. If you find any inconsistent information between our invoice and the statement(s) you receive from the qualified custodian please call our main office number located on the cover page of this brochure.

#### **Types of Investments**

We primarily offer advice on mutual funds.

Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

#### **Assets Under Management**

As of December 31, 2011, we manage \$35,296,000 in client assets on a discretionary basis.

## ***Fees and Compensation***

Form ADV Part 2A, Item 5

Please refer to the "Advisory Business" section in this brochure for information on our advisory fees, fee deduction arrangements, and refund policy according to each service we offer.

#### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the "Brokerage Practices" section of this brochure.

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

Form ADV Part 2A, Item 6

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the *Advisory Business* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## ***Types of Clients***

Form ADV Part 2A, Item 7

We offer investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

The Adviser requires a minimum relationship size of \$100,000 for clients retaining Investment Managed Services. This minimum is waived for IRA and Roth IRA accounts. The Adviser may waive the minimum relationship size for special situations such as for family members, pre-existing relationships, unique circumstances, or where the client is likely to meet the minimum relationship size within a reasonable time period. The Adviser reserves the right to decline services to any person or firm and for any reason.

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

Form ADV Part 2A, Item 8

### **Our Methods of Analysis and Investment Strategies**

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

- Fundamental Analysis – involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.
- Technical Analysis – involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.
- Long Term Purchases – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- Short Term Purchases – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

We seek to make an informed judgment of an investor's risk tolerance, goals and objectives, time horizons and tax status. Investment strategies may be based upon a number of concepts and determined by the type of investor. Investment strategies may be based upon a number of concepts and determined by the type of investor. The concept of asset allocation, or spreading investments among a number of asset classes

(domestic stocks vs. foreign stocks; large cap stocks vs. small cap stocks; corporate bonds vs. government securities) is generally in the forefront of our strategies. At its heart, asset allocation seeks to achieve the most efficient diversification of assets, to help lessen risk while not sacrificing the effectiveness of the portfolio in an effort to help produce the client's objectives. Since risk reduction is a key element to long-term investment success, asset allocation principles are a key part of our overall approach in preparing comprehensive advice for clients. We do not utilize market timing strategies and we take the position that markets are efficient. Numerous publicly available sources of economic, financial and investment research are used.

We use only no-load and/or load-waived mutual funds, which do not incur transaction costs. Also, we seek to minimize the impact of investments on taxes. Therefore, we generally may set target ranges for the percentage of assets in each asset class. These ranges are not intended to attempt to time the market, but instead to provide flexibility to reduce trading activity and taxable income. Within each asset class, we will typically seek to construct broadly diversified portfolios using individual securities or low-cost mutual funds. The choice of whether to use mutual funds will depend on a number of factors, including whether purchasing individual securities in a particular asset class would allow for sufficient diversification consistent with reasonable trading costs, whether there are tax advantages to individual securities, and whether we believe that there are market inefficiencies that justify buying particular securities.

Appalachian Capital Management provides individualized Investment Management Services to its clients. We can provide advisory services for portfolios ranging from moderately aggressive to conservative, each designed to meet the varying needs of and within the direction set forth by the investors. We select the portfolio best suited to their individual needs after clients have defined their objectives, risk tolerance and time horizons and the selection is approved by the client.

We look to the long-term when developing advice and recommendations based upon information provided by the client. Portfolio holdings or recommendations are generally judged by (managers' or investments') experience, track record and performance of like-kind investments. We will actively manage each portfolio. Investors should expect to remain fully invested within the ranges of their selected asset allocation plan at all times unless restated by the client.

**Technical Analysis** - The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day to day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

**Fundamental Analysis** - The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

We may use short-term trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s). Short-term trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk.

As a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or

guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

#### **Recommendation of Particular Types of Securities**

As disclosed under the "Advisory Business" section in this Brochure, we primarily recommend no load and/or load waived mutual funds, however we may recommend other types of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

Mutual funds and exchange traded funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. The returns on mutual funds can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely which can dilute other investors' interests.

### ***Disciplinary Information***

Form ADV Part 2A, Item 9

Appalachian Capital Management, Ltd. has been registered and providing investment advisory services since 1992. Neither our firm nor any of our Associated Persons has any reportable disciplinary information.

### ***Other Financial Industry Activities and Affiliations***

Form ADV Part 2A, Item 10

Mr. Parkinson serves on the Board of Directors of The Peoples National Bank and the Farmers Mutual Insurance Company. In conjunction with these outside business activities, Mr. Parkinson spends approximately 6 hours per month attending the monthly board meetings for The Peoples Bank and approximately 5 hours per month attending the board meetings for the Farmers Mutual Insurance Company.



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

Form ADV Part 2A, Item 11

### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

### **Participation or Interest in Client Transactions**

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

### **Personal Trading Practices**

Our firm or persons associated with our firm may recommend securities to you at the same time we or persons associated with our firm purchase such securities for our own account. However, we transact in no-load and/or load-waived mutual funds for your account and our personal accounts. Mutual funds are purchased and sold at net asset value at the end of each trading day. Therefore, we do not have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. It is our policy that neither our Associated Persons nor we shall have priority over your account in the purchase or sale of securities.

## ***Brokerage Practices***

Form ADV Part 2A, Item 12

We recommend the brokerage and custodial services of Charles Schwab & Co., Inc. ("Schwab") a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. We believe that Schwab provides quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by Schwab, including the value of research provided, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm.

We believe that excellent customer service and trade execution available through our preferred service provider is superior to most non-service oriented and internet-based brokers that may otherwise be available to the public. Our recommended service provider features a broad line of products and services that may be suitable to many types of investors with varying investable assets and trading costs are competitive.

Appalachian Capital Management clients should also evaluate service providers before opening an account since they are welcome to select their preferred firm. We have determined that Schwab currently offers the best overall value to us and our clients for the brokerage, service, and technology provided. We periodically review other alternatives that are available to the Adviser market.



### **Research and Other Soft Dollar Benefits**

Appalachian Capital Management will 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. Appalachian Capital Management does not have a soft dollar agreement with Schwab. However, Schwab provides benefits as a result of Appalachian Capital Management's relationship with Schwab Institutional. These benefits are listed in the following paragraphs.

Schwab Institutional provides Appalachian Capital Management with access to its institutional trading and operational services, which are typically not available to Schwab retail investors. The services generally are available to independent investment advisers at no charge to them so long as a total of at least \$10 million of Appalachian Capital Management's clients' account assets are maintained at Schwab Institutional. Schwab Institutional services include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment.

Schwab Institutional also makes available to Appalachian Capital Management other products and services that benefit Appalachian Capital Management, but may not benefit its client's accounts. Some of these products and services assist Appalachian Capital Management in managing and administering clients' accounts. These include software and other technology that provide access to client account data, such as trade confirmations and account statements, facilitate trade execution, and allocation of aggregated trade orders, from multiple client accounts, and assist with back-office support, recordkeeping, and client reporting. Many of these services generally may be used to service all or a substantial number of Appalachian Capital Management's accounts, including accounts not maintained at Schwab Institutional. Schwab Institutional may also provide Appalachian Capital Management with other services intended to help Appalachian Capital Management manage and further develop its business enterprise. These services may include consulting, publications and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services to Appalachian Capital Management by independent third parties. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or part of the fees of a third party providing these services to Appalachian Capital Management. The availability to Appalachian Capital Management of the foregoing products and services is not contingent upon Appalachian Capital Management committing to Schwab Institutional any specified amount of business (assets in custody or trading).

### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### **Directed Brokerage**

We routinely recommend that you direct our firm to execute transactions through Charles Schwab. Not all advisers require their clients to direct brokerage.

In limited circumstances, and at our discretion, some clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. If you choose to direct our firm to use a particular broker, you should understand that this might prevent our firm from aggregating trades with other client accounts or from effectively negotiating brokerage commissions on your behalf. This practice may also prevent our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you.

### **Block Trades**

We do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading") because we invest solely in Mutual Funds which do not trade in blocks.

## **Review of Accounts**

Form ADV Part 2A, Item 13

John W. Parkinson, President and Chief Compliance Officer, of Appalachian Capital Management, Ltd. will monitor your accounts on an ongoing basis and will conduct account reviews at least quarterly. Portfolios are analyzed for asset allocation, gains and losses, and any other parameters (as determined at or during the engagement) in relationship to the Client's stated investment objectives, risk profile, goals, and financial situation. The Adviser is available to meet personally or telephonically for reviews as may be requested by the client for reviews. The Adviser encourages frequent contact, but requests that clients initiate reviews at least annually. However, clients are required to immediately report any changes in their financial situation in order to provide the Adviser with the opportunity to review the information and suggest appropriate adjustments, if needed. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals,
- year-end tax planning,
- market moving events,
- security specific events, and/or,
- changes in your risk/return objectives.

We will provide you with additional or regular written reports in conjunction with account reviews. Reports we provide to you will contain relevant account and/or market-related information such as an inventory of account holdings and account performance, etc. You will receive trade confirmations and monthly statements from your account custodian(s).

## **Client Referrals and Other Compensation**

Form ADV Part 2A, Item 14

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

Please refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with Schwab.

## **Custody**

Form ADV Part 2A, Item 15

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our

advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

### ***Investment Discretion***

Form ADV Part 2A, Item 16

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement, a power of attorney, and/or trading authorization forms.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the "Advisory Business" section in this brochure for more information on our discretionary management services.

### ***Voting Client Securities***

Form ADV Part 2A, Item 17

#### **Proxy Voting**

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

### ***Financial Information***

Form ADV Part 2A, Item 18

We are not required to provide financial information to our clients because we do not:

- require the prepayment of more than \$500 in fees and six or more months in advance, or
- take custody of client funds or securities, or
- have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.

## Requirements for State-Registered Advisers

Form ADV Part 2A, Item 19

Neither our firm, nor any of our Associated Persons are compensated for advisory services with performance-based fees. Please refer to the "Performance-Based Fees and Side-By-Side Management" section above for additional information on this topic.

Neither our firm, nor any of our Associated Persons have any reportable arbitration claims, civil, self-regulatory organization proceeding or administrative proceeding.

Neither our firm, nor any of our Associated Persons have a material relationship or arrangement with any issuer of securities.

Refer to the Part(s) 2B for background information about management personnel and those giving advice on behalf of our firm.

**John W. Parkinson**

*Year of Birth:* 1964

*Formal Education After High School:*

- Ohio State University, B.S., 1984-1988

*Business Background:*

- Appalachian Capital Management, Ltd., President and Chief Compliance Officer, 1992 - Present

*Other:*

- Mr. Parkinson serves on the Board of Directors of The Peoples National Bank and the Farmers Mutual Insurance Company. In conjunction with these outside business activities, Mr. Parkinson spends approximately 6 hours per month attending the monthly board meetings for The Peoples Bank and approximately 5 hours per month attending the board meetings for the Farmers Mutual Insurance Company.

*Certifications:*

- Certified Financial Planner, 07/1992

**The CERTIFIED FINANCIAL PLANNER™**, CFP® and federally registered CFP (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to

test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;

- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

## ***Additional Information***

### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, the trade error will be corrected in the trade error account of the executing broker-dealer and you will not keep the profit.

**Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.