

Item 1 Cover Page

John H. Dalton, Jr., RIA*

**433 Metairie Road
Suite 500
Metairie, LA 70005**

**(504) 835-4006
(866) 719-4113
(504) 834-1420 – Fax
jjhdrjr@aol.com**

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This brochure provides information about the qualifications and business practices of John H. Dalton, Jr., RIA. If you have any questions about the contents of this brochure, please contact us at (504) 835-4006. 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 John H. Dalton, Jr., RIA also is available on the SEC's website at www.adviserinfo.sec.gov

*The designation of RIA, Registered Investment Advisor, does not imply a certain level of skill or training.

Item 2 Material Changes

NO MATERIAL CHANGES

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Item 4 Advisory Business

John H. Dalton, Jr. graduated from the Tulane School of Law in 1967 after completing a Business-Law program. After being admitted to the Louisiana Bar, he associated with the investment firm of Howard, Weil, Labouisse, Friedrichs and Company, Inc. In 1973, having attained the position of Vice President within the firm, he chose to enter and manage a family maritime business. During the following decade, he supervised three existing corporations, and helped form several more, with international maritime partners. During these years, he managed a wide range of corporate, real estate and financial assets. In 1982, these corporations were sold. Since that time, he has been engaged in growing the assets of his clients at JDC Financial Management.

JDC Financial Management began its business in mid 1987 and acts as an investment advisor and money manager for a variety of clients which include individuals, trusts and estates. These clients may also have retirement plans and/or supplemental retirement vehicles such as annuities which JDC Financial Management also manages.

As an active money manager, John H. Dalton, Jr. herein further referred to as "Advisor" employs a wide variety of fundamental and technical indicators to determine the strength or weakness of the various financial markets which Advisor selects to invest client funds.

The typical process which Advisor uses to determine the proper investment program for each client can be summarized as follows:

- A. Comprehensive client meeting with thorough analysis of clients personal financial condition along with current and future investment objectives. At this meeting, client will include all pertinent financial and investment documentation which can serve as the foundational building blocks for a long term investment plan.
- B. Next, the client will review all of the JDC investment models which include the Income Model, Moderate Growth Model, Aggressive Growth Model and more active ETF Model. These Models were created by Advisor as a vehicle for positioning all clients into one or more of these investments programs through which they can achieve their longer term investment goals. A client can choose one model or a combination of all models depending on the suitability of the clients financial status combined with their personal investment objectives.
- C. Each JDC Investment Model is outlined in writing as to the types of investments which comprise the model as well as the general parameters through which the Advisor will administer the investments for each respective model. The client is explained that each investment model, once selected, is managed on a discretionary basis until such time as client informs advisor in writing that a change is to be made. The client also signs an Investment Advisory Agreement which outlines the duties and scope of the Advisors responsibilities along with the clients rights and obligations. This agreement also highlights the fact that either the Advisor or the client can terminate the agreement for any

reason at any time by written notification.

- D. By special arrangement, a small number of clients may negotiate a non-discretionary advisory agreement wherein Advisor will be required to consult with client in advance prior to any investment decisions for these specialized accounts.

As of 12/31/2010, the Advisor managed approximately 180 Discretionary accounts totaling \$60,000,000.00. There are approximately 20 Non-Discretionary accounts totaling \$5,000,000.00 under management.

Item 5 Fees and Compensation

For his advisory service, Advisor is compensated by a percentage of assets under management. This fee is negotiable and is not to exceed 1.% of the account value. The client is responsible for any transaction cost associated with the purchase or sale of investments securities. The custodian for JDC's current client accounts, will be either Fidelity Investments, for the majority of the investment securities; or Jefferson National Life Insurance for variable annuities. These custodians typically do not charge annual fees/maintenance fees/activities fees for account. Jefferson National does charge a small monthly expense of \$20.00 covering all mortality and expense fees for each annuity contract irrespective of the size of that contract. For both qualified and non-qualified accounts, currently Fidelity Investments will charge a \$75.00 close out fee at the time the account is closed.

The investment management fees will be payable in arrears either quarterly or semi annually as determined by the Client. The payment of the fee is customarily by a debit to the Clients designated account for the amount of the fee at the end of the reporting period. Clients have the option of paying the fee from other funds and not deducted directly from their managed account. This arrangement is by mutual consent and in writing between Advisor and Client. In the case of annuities, a client may instruct the Advisor in writing to have these fees deducted from another account rather than directly from the annuity.

The advisory agreement may be terminated at any time by either party giving to the other written notice of such termination. The Agreement may not be modified or amended except in writing and signed by both Adviser and Client. It is agreed, fees earned prior to notice of termination will be prorated to the date of said termination, and this pro-rated fee will be billed to Client. No assignment, as that term is defined in the Investment Adviser Act of 1940, of this Agreement shall be made by Adviser without the written consent of Client.

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

Advisor does not charge Performance-Based Fees or Side-By-Side Management.

Item 7 Types of Clients

Advisor generally provides investment advice to Individuals, Pension and profit sharing plans, Trusts, and Estates.

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

Advisor utilizes various methods and sources to determine appropriate selection of investments for client models. This analysis consists of a combination of fundamental and technical methods including economic data, market climate, business cycles, interest rates, government monetary and tax policies, along with security charting and investor sentiment. Advisor believes long term successful investment results depend on an integration of all these factors as they are matched to a client's personal situation and goals. The Advisor utilizes an "active" investment style which attempts to select the most desirable asset allocation within each economic cycle. When the Advisor believes the economic climate to be especially unfavorable, he may temporarily shift assets into very defensive securities to protect client's capital. During these periods clients will usually have some or all of their funds invested in short term money markets and/or government security funds. JDC Financial Management has various investment models more fully described below which clients can choose to meet their personal objectives. Clients are always cautioned that all investment involves risk of loss; and clients should fully analyze and discuss which investment model(s) is appropriate for their personal situation. Clients are also advised that all funds are very liquid, and can be accessed or liquidated by client at any time upon instructions. Usually, funds can be accessed in one week or less if needed.

JDC High Income Model has an objective of securing above average income compared to the typical short term money market returns. The investment securities within this model generally consist of a combination of , but not limited to: a) Bond Mutual Fund of all types, including Government, Corporate, High Yield, Foreign, Emerging Market and Municipals; b) Exchange Traded Funds (ETFs) of all types, including all categories of Bond ETFs similar to the fund choices above; c) Closed-End Mutual Bond Funds of all types; d) Utility Mutual Funds and ETFs; e) a smaller allocation to Equity funds and ETFs with above-average dividend income. Money Market Funds of all types will also be included. This model will not have capital growth as an objective; although those investors not requiring some or all of the current income, can allow that income to be reinvested to achieve capital appreciation. As in all models, under certain economic conditions funds may be invested in very short term government or money market funds for capital preservation.

JDC Moderate Growth Model is designed to achieve long term growth of capital together with moderate income. The model, when fully invested will attempt to be divided approximately 50-65% equity funds and 35-50% fixed income funds. The equity fund portion will have the larger percentage invested in more well established large cap type funds; and a smaller percentage in smaller, more aggressively growth-oriented funds. This model will employ our proprietary risk management strategies with the objective of reducing shorter-term volatility and longer-term risk. During times of unusual market uncertainty, the model may temporarily invest some or all of the investments in safe money market type investments.

JDC Aggressive Growth Model is designed for more aggressive investors who seek primarily capital appreciation with little or no income. The model will generally invest in only equity type funds with the emphasis on faster growth type funds. This model will invest in blend of aggressive growth funds according to JDC's proprietary strategies. This strategy may result in temporarily investing some or all of the funds in safe money market type funds during periods of great market uncertainty.

JDC ETF Model is designed for investors seeking maximum capital appreciation and are willing to engage in a more active investment style which could include additional transaction costs applicable to Exchange Traded Funds (ETFs). This model will usually be more active in changing asset allocations, and thus be more suitable for investors willing to employ shorter term investing methods. This model, because of its short term allocation changes may have tax consequences that make it more attractive for tax deferred accounts. This model will be invested only in Exchange Traded Funds (ETFs), with all idle funds temporarily invested in short-term money market funds.

Item 9 *Disciplinary Information*

There is no pending or historical criminal or civil action in a domestic, foreign or military court of competent jurisdiction involving Advisor or a management member of Advisor.

There is no pending or historical administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority involving Advisor or a management member of Advisor.

There is no pending or historical self-regulatory organization (SRO) proceeding involving Advisor or a management member of Advisor.

Item 10 Other Financial Industry Activities and Affiliations

Advisor is not Affiliated with any other Financial Industry.

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

JDC, as Advisor, maintains a Code of Ethics which is written and made part of the overall Policy and Procedure Manual for JDC Financial Management. In general, the Code of Ethics requires all of clients interests to come before Advisor's interest. JDC has no interest in any securities which clients are advised to invest in. Advisor's personal funds are in large part invested in the same investment models as are clients. All of the investment models invest only in securities which include Mutual Funds, Exchange Traded Funds, and widely diversified annuity sub accounts. Since the JDC Models only invest in broadly diversified such securities which are traded actively on many security exchanges, there is no opportunity for potential conflicts of interest between Advisor and clients.

All client material information is considered confidential and protected as such. Records and detailed client background information is secure both in hard copies and via electronic storage methods. All administrative support personnel are fully aware of this client protection procedure; and fully comply with all policies and procedures designed to insure confidentiality.

JDC's Code of Ethics is available in written form, and is available to all clients upon request.

Item 12 Brokerage Practices

JDC is not affiliated with any Broker Dealer. The Advisor currently utilizes several custodians in brokerage firms to process and hold client securities as follows:

1. Fidelity Investments for all Mutual Funds, ETFs, and government securities.
2. Jefferson National Life Insurance for variable annuity contracts.

Advisor is not affiliated nor is compensated by any of the above investment firms. The Advisor also has certain general research available to him by these firms but does not receive any products or services (soft dollar benefits) in return for selecting these companies. Currently, the Advisor believes both the above provide excellent brokerage and custodial services for the clients; but if ever this should change, Advisor is completely free to select other firms to process the clients securities. Advisor believes both firms referenced above provide very reasonable, and in some cases, exceptionally low cost for all client investment needs. All fees for the two firms are fully disclosed and are available to clients either in writing or in electronic form via the internet from the custodian's website.

Item 13 Review of Accounts

Advisor monitors all accounts on a daily and weekly basis in conjunction with carrying out the investment analysis and implementation of each JDC model. The client has full access via the internet web site of Fidelity Investments or Jefferson National Life Insurance Company through which they can monitor every detail of their personal accounts. Each client is advised strongly to notify the Advisor of any change in circumstance which would potentially affect a change in investment objectives. Such notification would begin a process encompassing a client meeting and discussion to clarify the clients position and determine any changes in investments or models which seems appropriate.

On an annual basis, each client is contacted to schedule a yearly review to ensure their own situation and objectives remain on course. At this review, any modifications to the clients selection of models are analyzed, discussed and evaluated for a potential change.

All reviews and monitoring are done by Advisor personally with input from Advisor personnel to ensure sufficient investment evaluation.

Item 14 Client Referrals and Other Compensation

Advisor does not have any arrangements either directly or indirectly with any third party who may refer clients to the firm. Advisor does not compensate any person either directly or indirectly for referrals.

Item 15 Custody

JDC Financial Management does not have custody of any client funds; but rather all client accounts and funds are held by custodians. Both custodial firms, Fidelity Investments and Jefferson National Life Insurance Company send clients periodic statements of their accounts. These statements are either provided by mail as a hard copy or the client can elect to receive them electronically if they so authorize the custodian to provide in that manner. Clients receive no statements from JDC directly; and custodian makes available all client information on a monthly or quarterly basis. In addition, custodians provides easy access to all information on clients accounts on a daily basis through their respective websites.

Item 16 Investment Discretion

JDC requires each client to sign several forms in order to initiate their accounts. The first form is provided by the custodian (Fidelity Investments or Jefferson National Life Insurance Company) as a new account application. These applications customarily provide a choice for clients to authorize Advisor to act in a discretionary manner regarding the selection and management of securities of their accounts. Most clients of JDC do authorize Advisor to act in a "Limited Trading Authorization Capacity". This simply means Advisor is only allowed to act in a discretionary capacity in the purchasing or selling of securities in the account. JDC also requires client to execute and Investment Advisory Agreement which outlines the scope and responsibilities between Advisor and client. This agreement also describes the limited discretion client authorizes to Advisor. The third customary form required for each account is the selection of one or more "Investment Models". Upon client selection of such models, the Advisor is limited to the scope and parameters for investment discretion as specifically described in each model agreement. All of these agreements are subject to be terminated or changed at any time by client by notifying the Advisor in writing.

Item 17 Voting Client Securities

Advisor does not have the authority to vote client securities, by proxy or otherwise.

Item 18 Financial Information

JDC, as Advisor, is paid investment management fees “in arrears”, and does not require any fees in advance.

Advisor does not require or solicit prepayment of more than \$1,200 in fees per client, six (6) months or more in advance.

Advisor has not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19 Requirements for State-Registered Advisers

John H. Dalton, Jr., as Advisor, is the sole management person with JDC Financial Management. A summary of his background, credentials and business activity follows.

John H. Dalton, Jr. graduated from the Tulane School of Law in 1967 after completing a Business-Law program. After being admitted to the Louisiana Bar, he associated with the investment firm of Howard, Weil, Labouisse, Friedrichs and Company, Inc. In 1973, having attained the position of Vice President within the firm, he chose to enter and manage a family maritime business. During the following decade, he supervised three existing corporations, and helped form several more, with international maritime partners. During these years, he managed a wide range of corporate, real estate and financial assets. In 1982, these corporations were sold. Since that time, he has been engaged in growing the assets of his clients at JDC Financial Management.

