



***6151 Powers Ferry Road  
Suite 400  
Atlanta, GA 30339***

***678.322.3000***

***www.whitehorseadvisors.com***

## ***Disclosure Brochure***

***March 20, 2012***

This brochure provides information about the qualifications and business practices of White Horse Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 678.322.3000. 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.

White Horse Advisors, LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about White Horse Advisors, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Material Changes**

There are no material changes to our Brochure since it was published March 31, 2011.

White Horse Advisors, LLC (“White Horse, we, us, our, ours”) delivers its Brochure initially when we enter into an advisory agreement with you. We then offer or deliver our Brochure on an annual basis, no later than April 29 each year.

We may also provide updated disclosure information about material changes on a more frequent basis. Any summaries of changes will include the date of our last annual update of our brochure.

Currently, our brochure may be requested by contacting Stephen Griner at 678.322.3000 or by email at [stephen.griner@whitehorseadvisors.com](mailto:stephen.griner@whitehorseadvisors.com).

Our brochure is also available on our website at <http://www.whitehorseadvisors.com>. We will provide you with a new brochure at any time without charge.

Additional information about our company is also available via the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The SEC’s website also provides information about any persons affiliated with us who are also registered as investment adviser representatives (“your financial consultant”) of White Horse.

Information on your financial consultants who work with your account can be found in our brochure supplements.

## **Table of Contents**

<i>Advisory Business.....</i>	<i>2</i>
<i>Fees and Compensation.....</i>	<i>4</i>
<i>Performance Based Fees.....</i>	<i>8</i>
<i>Types of Clients.....</i>	<i>8</i>
<i>Methods of Analysis, Investment Strategies and Risk of Loss.....</i>	<i>8</i>
<i>Disciplinary Information.....</i>	<i>9</i>
<i>Other Financial Industry Activities and Affiliations.....</i>	<i>9</i>
<i>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....</i>	<i>9</i>
<i>Brokerage Practices.....</i>	<i>10</i>
<i>Review of Accounts.....</i>	<i>11</i>
<i>Client Referrals and Other Compensation.....</i>	<i>12</i>
<i>Custody.....</i>	<i>12</i>
<i>Investment Discretion.....</i>	<i>13</i>
<i>Voting Client Securities.....</i>	<i>13</i>
<i>Financial Information.....</i>	<i>13</i>
<i>Brochure Supplement.....</i>	<i>14</i>

SEC File Number: 801-71127

CRD Number 128335

## Advisory Business

White Horse is a financial advisory team that serves three markets:

- retirement plan committees,
- owners of closely held businesses, and
- individual investors.

A limited liability company organized under the laws of Georgia and founded in 2004<sup>1</sup>, the Atlanta-based firm is owned and operated by our employees, Patrick Ungashick, Stephen Griner, and Tom Ungashick.



As of December 31, 2011, we managed approximately \$31.2 million in client assets where we made all of the investment decisions (discretionary assets). Approximately \$1 million in client assets were managed where our

---

<sup>1</sup> White Horse traces its roots back to its initial registration as an Investment Adviser in 2003. From 2006 to early 2010, White Horse operated under the registration of Securian Financial Services. White Horse's request for registration as an independent investment adviser was approved by the SEC in March of 2010.

clients made the investment decisions based upon our recommendations. (nondiscretionary assets). We also provided consulting advice for \$779 million in pension assets.



We provide investment advice and consulting services to sponsors of qualified retirement plans. Other services may include:

- assisting the committee in drafting the IPS,
- plan design,
- selecting the investments,
- replacing investments,
- creating committee governance,
- preparing meeting minutes, and
- conducting vendor searches.



We provide exit planning services to owners of closely held businesses. Owners are assisted in identifying their most likely exit strategy and developing a plan to achieve this strategy. Upon sale

or transition, we aid in coordinating third parties such as investment bankers, attorneys and accountants. As part of the exit planning process we help business owners address:

- plan design,
- retirement planning,
- risk management,
- estate, and
- investment needs.



#### *Direct Investment Management Services*

We work with you to identify your investment goals and objectives, as well as risk tolerance, in order to create an initial portfolio allocation designed to complement your financial situation and personal circumstances.

The investment strategies utilized and portfolios constructed and managed depend on your investment objectives. Model portfolios and unaffiliated investment managers may be used as a part of this strategy.

You should notify us promptly if there are any changes in your financial situation or investment objectives or if you wish to impose any reasonable restrictions upon the management of

your account.

#### *Unaffiliated Investment Managers*

In conjunction with our direct investment management services, we have also entered into agreements with various other unaffiliated investment managers for the provision of certain investment advisory services. We provide individualized investment advice to you through the selection of a suitable unaffiliated investment adviser for a portion of your investment portfolio. Factors considered in the selection of an unaffiliated investment manager include:

- your financial consultants preference for a particular unaffiliated investment manager;
- your risk tolerance, goals and objectives, as well as investment experience; and
- the amount of your assets available for investment.

#### *Financial Planning*

We may prepare and provide you with a limited written financial plan designed to help you achieve your financial goals and investment objectives. The preparation of such a plan may necessitate that you provide us with personal data such as:

- family records,
- budgeting,
- personal liability,
- estate information, and
- additional financial goals.

The financial plan may include any or all of the following as you request or direct:

- budgeting,
- retirement savings,
- estate planning,
- investment allocation, and
- risk management.

Should you choose to implement the recommendations contained in the plan, we suggest you work closely with your attorney, accountant, insurance agent, and broker-dealer. Implementation of our financial plan recommendations is entirely at your discretion.

## ***Fees and Compensation***

We offer our services on a fee-only basis. Our fee is calculated based upon the market value of the assets in your account on the last day of the previous quarter.

Broker-dealers and other financial institutions that hold client accounts are referred to as custodians (“custodian/broker-dealer”). Your custodian/broker-dealer determines the values of the assets in your portfolio.

Fees for the initial quarter are based on the value of your cash and securities on the date the custodian/broker-dealer receives them and are prorated based upon the number of calendar days in the calendar quarter that our agreement is in effect. A pro-rata advisory fee is charged

based on the value of contributions over \$250,000 or 10% of the value of the account on the date of deposit, whichever is greater. A pro-rata portion of any prepaid advisory fee is rebated to the account based on the value of withdrawals over \$250,000 or 10% of the value of the account on the date of withdrawal, whichever is greater.

We have the right to change any or all of our fee schedules with 30 days written notice.

### *CoVerity Retirement Plans*

Our fee schedule is described below:

<u>Plan Asset Value</u>	<u>Maximum Annual Fee<sup>2</sup></u>
Up to \$5,000,000	\$4,000 + 0.50%
\$5,000,000-\$15,000,000	\$25,000 + 0.25% on assets over \$5,000,000
\$15,000,000-\$30,000,000	\$50,000 + 0.125% on assets over \$15,000,000
\$30,000,000-\$60,000,000	\$68,750 + 0.0875% on assets over \$30,000,000
\$60,000,000-\$100,000,000	\$95,000 + 0.005% on assets over \$60,000,000
\$100,000,000-\$200,000,000	\$100,000 + 0.05% on assets over \$100,000,000
\$200,000,000-\$300,000,000	\$150,000 + 0.03% on assets over \$200,000,000
\$300,000,000-\$500,000,000	\$180,000 + 0.01% on assets over \$300,000,000

<sup>2</sup>Minimum fee of \$4,000 per year

### *Navix Exit Planning Services Fees*

Exit planning services are charged through a one-time setup fee and



monthly retainer. The setup fee is \$5,000, increased by \$2,500 for each additional non-spousal owner and/or additional operating business with similar ownership. The base monthly fee ranges from \$1,000 to \$5,000 per month dependent upon the complexity of the business and increased by \$250 for each additional non-spousal owner and/or additional operating business with similar ownership.

#### *Direct Investment Management Services Fees*

Our fee schedule is described below:

<u>Total Account Value</u>	<u>Minimum Annual Fee<sup>1</sup></u>	<u>Maximum Annual Fee<sup>1</sup></u>
First \$1,000,000	1.00%	2.00%
Next \$1,000,000	0.63%	1.10%
Next \$1,000,000	0.52%	0.90%
Next \$1,000,000	0.41%	0.70%
Next \$1,000,000	0.26%	0.45%
Over \$5,000,000	Negotiable	Negotiable

<sup>1</sup> All fees are negotiable at our sole discretion.

#### *Unaffiliated Investment Managers' Fees*

Compensation generally consists of four elements:

- management and advisory fees shared by us and our employees (in accordance with the fee schedule presented above);
- management fees paid to the unaffiliated investment manager;
- transaction costs (if applicable) which may be paid to purchase and sell such securities; and
- custody fees (if applicable).

You may choose from a wrapped or non-wrapped pricing option. Wrap pricing structures allow you to pay an all-inclusive fee for:

- management,
- brokerage,
- clearance,
- custody, and
- administrative services.

These wrapped pricing alternatives are sponsored by the unaffiliated investment manager rather than us. As an alternative to the wrap pricing structure, the management fees may be separated from the costs charged for:

- execution,
- clearance,
- custody, and
- other services.

A complete description of the programs and services provided, including:

- the amount of total fees,
- the payment structure,
- termination provisions and

Other aspects of each program are detailed and disclosed in:

- the unaffiliated investment adviser's disclosure brochure;
- the program wrap brochure or other applicable program disclosure documents;

- the disclosure documents of the specific investment manager or managers selected; or
- the unaffiliated investment manager's account opening documents.

A copy of all relevant disclosure documents of the unaffiliated investment adviser and of the individual portfolio manager(s) will be provided to anyone interested in these programs or managers.

For investment management accounts, you must authorize us to have the custodian/broker-dealer pay us directly by charging your account. This authorization must be provided in writing. One-fourth of the annual fee is charged each calendar quarter.

Your custodian/broker-dealer provides you with statements that show the amount paid directly to us. You should review and verify the calculation of our fees. Your custodian/broker-dealer does not verify the accuracy of fee calculations.

In addition to our fee, you may be required to pay other charges such as:

- custodial fees,
- brokerage commissions,
- transaction fees,
- SEC fees,
- internal fees and expenses charged by mutual funds or exchange traded funds ("ETFs"), and
- other fees and taxes on brokerage

accounts and securities transactions.

None of these fees are paid to or are shared with us.

Mutual fund companies, ETFs, and variable annuity issuers charge internal fees and expenses for their products. These fees and expenses are in addition to any advisory fees charged by us. Complete details of these internal fees and expenses are explained in the prospectuses for each investment. You are strongly encouraged to read these explanations before investing any money. You may ask us any questions you have about fees and expenses.

If you purchase mutual funds through the custodian/broker-dealer, you may pay a transaction fee that would not be charged if the transactions were made directly through the mutual fund company. Also, mutual funds held in accounts at brokerage firms may pay internal fees that are different from funds held at the mutual fund company.

While you may purchase shares of mutual funds directly from the mutual fund company without a transaction fee, those investments would not be part of our advisory relationship with you. This means that they would not be included in our investment strategies, investment performance monitoring, or portfolio reallocations.

Please be sure to read the section entitled "Brokerage Practices," which follows later in this brochure.

You must pay our investment management fees in advance of receiving our services or you may be billed for fees in lieu of having them debited from your account at our sole discretion. Should you terminate the advisory agreement we have entered into within five (5) business days from the date the agreement is executed, you will receive a full refund of any fees paid.

Should either one of us terminate the advisory agreement we have entered into before the end of a billing period, any unearned fees that were deducted from your account will be returned to you by us. The amount refunded to you is calculated by dividing the most recent advisory fee you paid by the total number of days in the quarter. This daily fee is then multiplied by the number of calendar days in the quarter that our agreement was in effect. This amount, which equals the amount we earned for the partial quarter, is subtracted from the total fee you paid in advance to determine your refund.

#### *Fees for Financial Planning*

Financial plans which are not prepared in conjunction with investment management services are billed separately through a fixed fee arrangement as agreed upon between us. Fees are negotiable and vary depending upon the complexity of your situation and services to be provided. Fixed fees range from \$4,000 to \$10,000 per plan. Similar financial planning services may be

available to you elsewhere for a lower cost.

The plan preparation fee is payable upon signature of the financial planning agreement. The agreement may be terminated by either party at any time without penalty upon written notice. Terminating your agreement does not affect your obligation to pay for any services provided prior to your termination.

We are the majority owner of Fortress Brokerage Solutions, LLC (“Fortress”), an insurance agency. We share in profits accrued to Fortress when insurance products are purchased through it.

Your financial consultant may also recommend various asset management firms. If you establish an investment advisory relationship with one of these firms, we may share in the advisory fees you pay to these asset management firms.

The above arrangements present a conflict of interest because they create an incentive to make recommendations based upon the amount of compensation we receive rather than based upon your needs. We will explain the specific costs associated with any recommended investments with you upon request. We also recommend no-load and load-waived mutual funds to further reduce conflicts of interest. Additionally, you have the option to purchase investment and insurance products through other brokers or agents who are not affiliated with us.



## ***Performance-Based Fees***

We do not charge performance-based fees on any of our client accounts. Performance-based fees are generally based on capital gains on and/or appreciation of the client account assets.

## ***Types of Clients***

We provide advisory services primarily to individuals and high net worth individuals, including their trusts, estates and retirement accounts. We also provide services to corporations or business entities including their pension and profit sharing plans. As a condition for starting and maintaining an advisory relationship, we generally require a minimum portfolio size of \$1,000,000.

We, at our sole discretion, may accept clients with smaller portfolios based upon certain factors including:

- anticipated future earning capacity,
- anticipated future additional assets,
- account composition,
- related accounts, and
- pre-existing client relationships.

We may consider the portfolios of your family members to determine if your portfolio meets the minimum size requirement.

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

We select specific investments for your

portfolios through the use of fundamental analysis. Fundamental analysis is a method of evaluating a company that has issued a security by attempting to measure the value of its underlying assets. It entails studying overall economic and industry conditions as well as the financial condition and the quality of the company's management. Earnings, expenses, assets, and liabilities are all important in determining the value of a company. The value is then compared to the current price of the issuing company's security to determine whether to purchase, sell or hold the security.

Our investment strategies may include long-term and short-term purchases. We also utilize unaffiliated investment advisers to help implement investment advice. You may place reasonable restrictions on the strategies to be employed in your portfolio and the types of investments to be held in your portfolio.

All investments involve risks that can result in loss:

- loss of principal,
- a reduction in earnings (including interest, dividends and other distributions), and
- the loss of future earnings.

Additionally, these risks may include:

- market risk,
- interest rate risk,

- issuer risk, and
- general economic risk.

Although we manage your portfolio in a manner consistent with your risk tolerances, we cannot guarantee that our efforts will be successful. You should be prepared to bear the risk of loss.

### ***Disciplinary Information***

We have not been the subject of any legal or disciplinary events that would be material to your evaluation of our business or the integrity of our management.

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

As explained under “Fees and Conditions” above, we are the majority owner of Fortress Brokerage Solutions, LLC (“Fortress”), an insurance agency. Although our advisory representatives are not directly compensated for life insurance recommended through Fortress, White Horse, as majority owner, will share in the profits of Fortress. This relationship may present a conflict of interest for us related to recommendations of insurance products.

Patrick Ungashick and Stephen Griner own Navix Enterprises, LLC which develops exit planning tools for businesses and leases them to White Horse Advisors. These tools are also sold on line to end users. Messrs.

Ungashick and Griner receive additional compensation through their ownership of Navix Enterprises when WHA uses the Navix program with its advisory clients. Because the Navix tools are available to the public through on-line sales, clients may pay more for the service obtained through WHA than if they acquired the tools directly. However, if the tools are acquired directly, the client would not receive the advisory services of WHA and its advisors.

As previously noted, we will explain the specific costs associated with any recommended investments with you upon request. We also recommend no-load and load-waived mutual funds to further reduce conflicts of interest. You have the option to purchase investment and insurance products through other brokers or agents who are not affiliated with us.

Our advisory representatives may also recommend various asset management firms. If you establish an investment advisory relationship with one of these firms, our financial advisors may share in the advisory fees you pay to these asset management firms.

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

We have adopted a Code of Ethics (“Code”) to address the securities-related conduct of our financial consultants and employees. The Code includes our

policies and procedures developed to protect your interests in relation to the following:

- the duty at all times to place your interests ahead of ours;
- that all personal securities transactions of our financial consultants and employees be conducted in a manner consistent with the Code and avoid any actual or potential conflict of interest, or any abuse of financial consultant's or employee's position of trust and responsibility;
- that financial consultants may not take inappropriate advantage of their positions;
- that information concerning the identity of your security holdings and financial circumstances are confidential; and
- that independence in the investment decision-making process is paramount.

We will provide a copy of the Code to you or any prospective client upon request.

We do not buy or sell securities for our firm that we also recommend to clients. Our financial consultants and employees are permitted to buy or sell the same securities for their personal and family accounts that are bought or sold for your account(s). The personal securities transactions made by financial consultants and employees may raise

potential conflicts of interest when they trade in a security that is:

- owned by you or
- considered for purchase or sale for you.

We have adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures:

- require our financial consultants and employees to act in your best interest,
- prohibit favoring one client over another, and
- provide for the review of transactions to discover and correct any same-day trades that result in a financial consultant or employee receiving a better price than a client.

Financial consultants and employees must follow our procedures when purchasing or selling the same securities purchased or sold for you.

### ***Brokerage Practices***

We may recommend certain broker-dealer/custodians for your account. We are independently owned and operated and not affiliated with any broker-dealer/custodian. Our use of the broker-dealer/custodian is, however, a beneficial business arrangement for us. In recommending the broker-dealer/custodian responsible for executing transactions for your

portfolios, we consider at a minimum the broker-dealer/custodian's:

- existing relationship with us,
- financial strength,
- reputation,
- reporting capabilities,
- execution capabilities,
- pricing, and
- types and quality of research.

The determining factor in the selection of the broker-dealer/custodian to execute transactions for your accounts is not the lowest possible transaction cost, but whether the broker-dealer/custodian can provide what is in our view the best qualitative execution for your account.

Because the amount of our compensation or the products or services we receive may vary depending on the custodian we recommend to be used by our clients, we may have a conflict of interest in making that recommendation. Our recommendation of a specific custodian may be based in part on the products and services we receive and not solely on the nature, cost or quality of custody and brokerage services provided to you and our other clients. We nonetheless strive to act in your best interests at all times.

In addition to brokerage and custody services, these services may include access to account information; access to investments generally available to

institutional investors; research; software; and, educational opportunities.

We have not entered into any soft dollar agreements with any custodian or broker. We are not required to effect a minimum volume of transactions or maintain a minimum dollar of client assets to receive services from the custodian.

Commissions and other fees for transactions executed through the broker-dealer/custodian may be higher than commissions and other fees available if you use another custodian firm to execute transactions and maintain custody of your account. We believe, however, that the overall level of services and support provided to our clients by the custodian outweighs the benefit of possibly lower transactions cost which may be available under other brokerage arrangements.

You may direct us in writing to use a particular broker-dealer to execute some or all of the transactions for your account. If you do so, you are responsible for negotiating the terms and arrangements for the account with that broker-dealer. We may not be able to negotiate commissions, obtain volume discounts, or best execution. In addition, under these circumstances a difference in commission charges may exist between the commissions charged to clients who direct us to use a particular broker or dealer and other clients who do not direct us to use a particular broker or dealer.

## **Review of Accounts**

We review information about you to determine whether a particular investment or strategy is suitable. You are contacted at least annually, or more often as agreed between you and your financial consultant. We then review and update your financial status, goals and objectives. We also assist you in understanding and evaluating the services provided and whether the program remains suitable for you. Investment positions are reviewed on a quarterly basis. Financial planning clients receive an initial report and updated reports as provided in your contract.

We also periodically review reports provided to you by the unaffiliated investment advisers that may manage your account. We contact you at least annually, or more often as we agree upon, to:

- review your financial situation and objectives,
- communicate information to the unaffiliated adviser managing the account as warranted, and
- to assist you in understanding and evaluating the services provided.

For *CoVerity Retirement Plans* we provide quarterly reports on the funds offered to the participants in your plan and evaluate them based upon the plan's investment policy statement.

## **Client Referrals and Other Compensation**

We may receive certain economic benefits as a result of our participation in a broker-dealer/custodian's institutional program. Those benefits are described in detail in the preceding section entitled "Brokerage Practices."

We and/or members of our management may receive additional compensation through ownership interests in Fortress and Navix Enterprises LLC as described in "Fees and Compensation" and "Other Financial Industry Activities and Affiliations", respectively. We do not directly or indirectly compensate any person who is not one of our advisory representatives or employees for client referrals.

## **Custody**

We do not act as the qualified custodian for your investment account. You will receive statements from the custodian/broker-dealer that holds your account on at least a quarterly basis. We urge you to carefully review these statements. You should verify that the transactions in your account are consistent with your investment goals and the objectives for your account. We also encourage you to contact your advisory representative or our Chief Compliance Officer should you have any questions or concerns regarding your account.

## ***Investment Discretion***

We offer our advisory services on a discretionary basis. This means that we do not need advance approval from you to determine the type and amount of securities to be bought and sold for your accounts. We do not, however, have the ability to choose the broker-dealer through which transactions will be executed without your prior approval. Additionally, we do not have the ability to withdraw funds from your account (other than to withdraw our advisory fees which, may only be done with your prior written authorization.)

This discretion is used in a manner consistent with the stated investment objectives for your account, if you have given us written authorization to do so. We only exercise discretion in accounts where we have been authorized by you. This authorization is typically included in the investment advisory agreement you enter into with us.

For accounts managed by an unaffiliated investment manager, all securities transactions are typically decided upon and placed by that manager. We do not manage, or obtain discretionary authority over the assets in accounts participating in these programs. However, you may grant us the discretionary authority to

hire and fire unaffiliated investment managers and/or allocate your assets among managers.

## ***Voting Client Securities***

We do not take any action or give any advice with respect to voting of proxies solicited by or with respect to the issuers of securities in which your accounts may be invested. In addition, we do not take any action or give any advice with respect to any securities held in any accounts that are named in or subject to class action lawsuits. We will, however, forward to you any information received by us regarding proxies and class action legal matters involving any securities held in your accounts. You will receive information about proxies directly from the custodian of your account(s).

## ***Financial Information***

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to you and we have not been the subject of a bankruptcy proceeding.