

OMB APPROVAL	
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FORM ADV

Uniform Application for Investment Adviser Registration

Part II - Page 1

Name of Investment Adviser: Buttonwood Financial Advisors, Inc.				
Address: (Number and Street)	(City)	(State)	(Zip Code)	Area Code: Telephone Number:
5850 Waterloo Road, Ste. 140	Columbia	MD	21045	(888) 706-9232

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any government authority.**

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

FORM ADV**Part II - Page 2**

Applicant:	SEC File Number:	Date:
Buttonwood Financial Advisors, Inc.	801-	01/29/2010

Definitions for Part II

Related person - Any officer, director or partner of applicant or any person directly or indirectly controlling, controlled by, or under common control with the applicant, including any non-clerical, non-ministerial employee.

Investment Supervisory Services - Giving continuous investment advice to a client (or making investments for the client) based on the individual needs of the client. Individual needs include, for example, the nature of other client assets and the client's personal and family obligations.

1. A. Advisory Services and Fees. (check the applicable boxes)		For each type of service provided, state the approximate % of total advisory billings from that service. Approx. (See instruction below.)	
Applicant:			
<input checked="" type="checkbox"/>	(1) Provides investment supervisory services		95%
<input type="checkbox"/>	(2) Manages investment advisory accounts not involving investment supervisory services		%
<input checked="" type="checkbox"/>	(3) Furnishes investment advice through consultations not included in either service described above		5%
<input type="checkbox"/>	(4) Issues periodicals about securities by subscription		%
<input type="checkbox"/>	(5) Issues special reports about securities not included in any service described above		%
<input type="checkbox"/>	(6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities		%
<input type="checkbox"/>	(7) On more than an occasional basis, furnishes advice to clients on matters not involving securities		%
<input type="checkbox"/>	(8) Provides a timing service		%
<input type="checkbox"/>	(9) Furnishes advice about securities in any manner not described above		%
(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)			
B. Does the applicant call any of the services it checked above financial planning or some similar term?		Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
C. Applicant offers investment advisory services for: (check all that apply):			
<input checked="" type="checkbox"/>	(1) A percentage of assets under management	<input type="checkbox"/>	(4) Subscription fees
<input type="checkbox"/>	(2) Hourly charges	<input checked="" type="checkbox"/>	(5) Commissions
<input checked="" type="checkbox"/>	(3) Fixed fees (not including subscription fees)	<input type="checkbox"/>	(6) Other
D. For each checked box in A above, describe on Schedule F:			
<ul style="list-style-type: none">the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a feeapplicant's basic fee schedule, how fees are charged and whether its fees are negotiablewhen compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date			
2. Types of Clients - Applicant generally provides investment advice to: (check those that apply)			
<input checked="" type="checkbox"/>	A. Individuals	<input checked="" type="checkbox"/>	E. Trusts, estates, or charitable organizations
<input type="checkbox"/>	B. Banks or thrift institutions	<input checked="" type="checkbox"/>	F. Corporations or business entities other than those listed above
<input type="checkbox"/>	C. Investment companies	<input type="checkbox"/>	G. Other (describe on Schedule F)
<input checked="" type="checkbox"/>	D. Pension and profit sharing plans		

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

FORM ADV**Part II - Page 3**

Applicant:

Buttonwood Financial Advisors, Inc.

SEC File Number:

801-

Date:

01/29/2010

3. Types of Investments. Applicant offers advice on the following: (check those that apply)

- | | |
|--|--|
| <input checked="" type="checkbox"/> A. Equity Securities | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities | |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter | <input type="checkbox"/> I. Options contracts on: |
| <input checked="" type="checkbox"/> (3) foreign issues | <input checked="" type="checkbox"/> (1) securities |
| | <input type="checkbox"/> (2) commodities |
| <input checked="" type="checkbox"/> B. Warrants | |
| <input checked="" type="checkbox"/> C. Corporate debt securities | <input type="checkbox"/> J. Futures contracts on: |
| (other than commercial paper) | <input type="checkbox"/> (1) tangibles |
| | <input type="checkbox"/> (2) intangibles |
| <input checked="" type="checkbox"/> D. Commercial paper | |
| <input checked="" type="checkbox"/> E. Certificates of deposit | <input type="checkbox"/> K. Interests in partnerships investing in: |
| <input checked="" type="checkbox"/> F. Municipal securities | <input type="checkbox"/> (1) real estate |
| | <input type="checkbox"/> (2) oil and gas interests |
| <input checked="" type="checkbox"/> G. Investment company securities | <input type="checkbox"/> (3) other (explain on Schedule F) |
| <input checked="" type="checkbox"/> (1) variable life insurance | <input type="checkbox"/> L. Other (explain on Schedule F) |
| <input checked="" type="checkbox"/> (2) variable annuities | |
| <input checked="" type="checkbox"/> (3) mutual fund shares | |

4. Methods of Analysis, Sources of Information, and Investment Strategies.**A.** Applicant's security analysis methods include: (check those that apply)

- | | |
|---|--|
| (1) <input type="checkbox"/> Charting | (4) <input type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input type="checkbox"/> Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|---|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines | (5) <input type="checkbox"/> Timing services |
| (2) <input type="checkbox"/> Inspections of corporate activities | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases |
| (4) <input checked="" type="checkbox"/> Corporate rating services | (8) <input type="checkbox"/> Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|--|---|
| (1) <input checked="" type="checkbox"/> Long term purchases
(securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions |
| (2) <input checked="" type="checkbox"/> Short term purchases
(securities sold within a year) | (6) <input checked="" type="checkbox"/> Option writing, including covered options,
uncovered options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days) | (7) <input type="checkbox"/> Other (explain on Schedule F) |
| (4) <input type="checkbox"/> Short sales | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

FORM ADV**Part II - Page 4**

Applicant:

Buttonwood Financial Advisors, Inc.

SEC File Number:

801-

Date:

01/29/2010

5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients?

Yes No
☒ ☐

(If yes, describe these standards on Schedule F.)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- | | |
|-----------------|--|
| • name | • formal education after high school |
| • year of birth | • business background for the preceding five years |

7. Other Business Activities. (check those that apply)

- ☒ A. Applicant is actively engaged in a business other than giving investment advice.
- ☒ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- | | |
|--|--|
| <input type="checkbox"/> (1) broker-dealer | <input type="checkbox"/> (7) accounting firm |
| <input type="checkbox"/> (2) investment company | <input type="checkbox"/> (8) law firm |
| <input type="checkbox"/> (3) other investment adviser | <input type="checkbox"/> (9) insurance company or agency |
| <input type="checkbox"/> (4) financial planning firm | <input type="checkbox"/> (10) pension consultant |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer |
| <input type="checkbox"/> (6) banking or thrift institution | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?
- Yes No
☐ ☒

(If yes, describe on Schedule F the partnerships and what they invest in.)

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

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Applicant:	SEC File Number:	Date:
Buttonwood Financial Advisors, Inc.	801-	01/29/2010

9. Participation or Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account?

Yes No
☒ ☐

(If yes, describe on Schedule F.)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

Rehan Dawer, President, and Damian Gallina, Principal & Chief Compliance Officer, will attempt to review all client accounts at least quarterly, but will do so no less than annually. Personal reviews may be requested by the client, or be suggested by Messrs. Dawer and Gallina based on factors such as the general economy, market conditions, changes in client circumstances, etc.

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

Clients will receive from their custodians on either a monthly or quarterly basis, statements showing the current market value as well as interest and dividends for the reporting period. Also, periodic performance reports will be provided by the Adviser to Clients.

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Applicant:	SEC File Number:	Date:
Buttonwood Financial Advisors, Inc.	801-	01/29/2010

12. Investment or Brokerage Discretion.

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- | | | |
|--|---|--|
| (1) securities to be bought or sold? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (2) amount of the securities to be bought or sold? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (3) broker or dealer to be used? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| (4) commission rates paid? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients?

Yes ☒ No ☐

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- | | | |
|---|---|-----------------------------|
| A. Is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| B. Directly or indirectly compensates any person for client referrals? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities; or
 - requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- Has applicant provided a Schedule G balance sheet?
- | | |
|------------------------------|--|
| Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
|------------------------------|--|

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:
Buttonwood Financial Advisors, Inc.

SEC File Number:

801-

Date:

01/29/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Buttonwood Financial Advisors, Inc.		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	

Item 1D	<p><u>Advisory Services and Fees</u></p> <p>Buttonwood Financial Advisors, Inc. (hereinafter "BFA" or the "Firm") is a corporation formed under the laws of the State of Virginia. BFA offers investment advisory services to individuals, high-net worth individuals, pension and profit sharing plans, trusts, estates, or charitable organizations, and corporations and other business entities. This Schedule F narrative provides clients with information regarding BFA and the qualifications, business practices, and nature of advisory services that should be considered before becoming an advisory client of the Firm.</p> <p>Please contact Rehan Dawer, President or Damian Gallina, Principal & Chief Compliance Officer, if you have any questions about this Schedule F narrative. Additional information about BFA is available on the Internet at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for BFA is 144926.</p> <p>Individuals associated with BFA will provide its investment advisory services. These individuals are appropriately licensed, qualified, and authorized to provide advisory services on behalf of the Firm. Such individuals are known as Investment Advisor Representatives (IARs).</p> <p><u>Portfolio Management Services</u></p> <p>BFA provides discretionary portfolio management services where the investment advice provided is custom tailored to meet the individualized needs and investment objectives of the client. Once the portfolio is constructed, BFA may monitor the portfolio as changes in market conditions and client circumstances may require.</p> <p>On an annualized basis, BFA's fee for continuous portfolio management services is as follows:</p> <table><thead><tr><th><u>Assets under management:</u></th><th><u>Annual advisory fee*:</u></th></tr></thead><tbody><tr><td>The first \$1 million</td><td>1.25%</td></tr><tr><td>Amounts from \$1 Million to \$5 million</td><td>1.00%</td></tr><tr><td>Amounts over \$5 Million</td><td>0.75%</td></tr></tbody></table> <p>*Higher fees may be charged in cases where BFA works with another registered investment adviser to manage the Client's account(s).</p> <p>The above fees are negotiable and shall be prorated and paid in advance on a quarterly basis. No increase in the annual fee shall be effective without prior notification to the Client. Clients are responsible for custodial fees and transaction costs. In the event that the client terminates BFA's services before the end of a billing period, the client shall be assessed a pro-rata fee based on the number of days the client's account was managed by BFA.</p>	<u>Assets under management:</u>	<u>Annual advisory fee*:</u>	The first \$1 million	1.25%	Amounts from \$1 Million to \$5 million	1.00%	Amounts over \$5 Million	0.75%
<u>Assets under management:</u>	<u>Annual advisory fee*:</u>								
The first \$1 million	1.25%								
Amounts from \$1 Million to \$5 million	1.00%								
Amounts over \$5 Million	0.75%								

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:
Buttonwood Financial Advisors, Inc.

SEC File Number:
801-

Date:
01/29/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Buttonwood Financial Advisors, Inc.		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	

Item 1D	<p>Fees will be automatically deducted from the account. Clients will be provided with a quarterly statement reflecting deduction of the advisory fee as well as an advance invoice from Advisor (sent to the custodian simultaneously) detailing the amount and calculation of the advisory fee.</p> <p>In addition to Advisor's annual investment management fee, the Client may also incur certain charges imposed by unaffiliated third parties. Such charges include, but are not limited to, custodial fees, brokerage commissions, transaction fees, charges imposed directly by a mutual fund, index fund, or exchange traded fund purchased for the account which shall be disclosed in the funds prospectus (i.e., fund management fees and other fund expenses), wire transfer fees and other fees and taxes on brokerage accounts and securities transactions.</p> <p>Either party may terminate the investment advisory agreement at any time by providing written notice to the other party. Full refunds will only be made in cases where cancellation occurs within five (5) business days of signing BFA's investment advisory agreement. After five (5) business days, clients will receive a pro-rata refund, which takes into account work completed by BFA on behalf of the client. The client will incur charges for bona fide advisory services rendered to the point of termination, and such fees will be due and payable by the client.</p> <p><u>Advisory Consulting And Financial Planning Services</u></p> <p>Advisor will typically provide a variety of financial planning services, principally advisory in nature, to individuals, families and other clients regarding the management of their financial resources, based upon an analysis of client's needs. Generally, such financial planning services will involve preparing a financial program or rendering a financial consultation for clients based on the client's financial circumstances and objectives. This information normally would cover present and anticipated assets and liabilities, including insurance, savings, investments, and anticipated retirement or other employee benefits.</p> <p>The program developed for or financial consultation rendered to the clients will usually include general recommendations for a course of activity or specific actions to be taken by the clients. For example, recommendations may be made that the clients obtain insurance or revise existing coverage, establish an individual retirement account, increase or decrease funds held in savings accounts or invest funds in securities. Advisor may develop tax or estate plans for its clients or refer clients to an accountant or attorney.</p> <p>Advisor may also create a cash flow analysis or work with and advise the clients as to the rearrangement of cash flow in order to fund certain long-term objectives such as buying a house, planning for college, retirement, etc.</p>
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Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:
Buttonwood Financial Advisors, Inc.

SEC File Number:
801-

Date:
01/29/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Buttonwood Financial Advisors, Inc.		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	

Item 1D	<p><i>FEE SCHEDULE: Financial Planning Services</i></p> <p>A \$500 to \$10,000 flat fixed fee will be charged half of which is generally due and payable at the time the client's agreement is executed, and the remainder of the fee is due upon presentation of a plan or the rendering of consulting services.</p> <p>Either party may terminate the agreement at anytime by providing written notice to the other party within five (5) days. The client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the client. Refunds will be given on a pro-rata basis.</p> <p>Commissions may be earned by associated persons of Advisor in cases where financial planning recommendations are executed through Purshe Kaplan Sterling Investments, Inc., a registered broker-dealer and Member FINRA/SIPC.</p> <p><u>General Information on Advisory Services and Fees</u></p> <p>Advisory recommendations are based on the client's financial situation at the time the services are provided and are based on financial information disclosed by the client to BFA. Clients are advised that certain assumptions may be made with respect to interest and inflation rates and the use of past trends and performance of the market and economy. Past performance is in no way an indication of future performance. As the client's financial situation, goals, objectives, or needs change, the client must notify BFA promptly.</p> <p>The fees charged are calculated as described above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds, or any portion of the funds of an advisory client (15 U.S.C. §80b-5(a)(1)).</p> <p>Advice offered by BFA may involve investments in money market funds. Clients are hereby advised that all fees paid to BFA for investment advisory services are separate and distinct from the fees and expenses charged by money market funds (described in each fund's prospectus) to their shareholders. These fees may include, but are not limited to, a management fee, upfront sales charges, and other fund expenses. Further, there may be transaction charges involved with purchasing or selling of securities. BFA does not share in any portion of the brokerage fees/transaction charges imposed by the custodian holding the client funds or securities. The client should review all fees charged by money market funds, BFA, and others to fully understand the total amount of fees to be paid by the client.</p> <p>Advisor hereby discloses that Advisor is not, but Advisor's representative is an agent/broker with various insurance companies. Such firms pay representatives a commission for the sale of their products. As such, a potential conflict of interest exists between the Advisor's interest and the Clients. The Advisor may utilize various firms for the execution of securities transactions and to custody assets. In certain</p>
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Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:
Buttonwood Financial Advisors, Inc.

SEC File Number:

801-

Date:

01/29/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Buttonwood Financial Advisors, Inc.		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	

Item 1D

cases, Advisor may recommend that clients execute transactions through unaffiliated broker-dealers further described in Item 12(B) of Schedule F. Advisor does not earn any commissions from unaffiliated broker-dealers. In any event, Client is under no obligation to act upon Advisor's recommendations and if the Client elects to act on any of the recommendations, the Client is under no obligation to effect the transaction through Advisor, or any of the unaffiliated broker-dealers listed in Item 12(B) of Schedule F.

Advisor hereby states that Advisor has custody under Virginia law, but is not required to comply with net capital, bonding, or audit requirements because the firm takes the following steps:

- i) the Advisor will obtain written authorization from the client to deduct advisory fees from the account held with a qualified custodian;
- ii) the Advisor will each time a fee is directly deducted from a client account concurrently:
 - A) send the qualified custodian notice of the amount of the fee to be deducted from the client's account;
 - B) send the client an invoice itemizing the fee including the formula used to calculate the fee, the amount of assets under management upon which the fee is based, and the time period covered by the fee;
 - C) notify the Commissioner in writing on Form ADV that the investment adviser intends to use the safeguards provided above.

Item 5

Education and Business Standards

Advisor generally requires a college degree or equivalent industry experience for someone to become an investment advisory representative with the firm. In addition, all investment advisory representatives must have obtained all required licenses and/or professional designations.

Item 6

Education and Business Background**Rehan. Dawer**

Year of Birth: 1966

Education:

BS Finance Minor International Business Management, University of MD, College Park - May 19, 1992

BS Marketing, University of MD, College Park - May 19, 1992

Executive Management Degree, Georgetown University, Washington, DC - December 10, 2005

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:
Buttonwood Financial Advisors, Inc.

SEC File Number:

801-

Date:
01/29/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Buttonwood Financial Advisors, Inc.		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	

Item 6 (Continued)	<p><u>Business Background for Past Five Years:</u></p> <p>09/07 to Present, Buttonwood Financial Advisors, Inc. President, Reston, VA 09/07 to 02/2008, Buttonwood Financial Advisors, Inc. Chief Compliance Officer, Reston, VA 10/02 to 08/07, Guidance Financial Group, SVP Head of Marketing and Distribution, US Operations, Reston, VA</p> <p><u>Damian Gallina</u></p> <p>Year of Birth: 1970</p> <p><u>Education:</u> BS Finance, Towson University, Towson, MD - January, 1993 CFA Charter, CFA Institute, Charlottesville, VA – August 1998</p> <p><u>Business Background for Past Five Years:</u></p> <p>02/08 to Present, Buttonwood Financial Advisors, Inc., Principal & Chief Compliance Officer, Reston, VA 06/95-02/08, Horan Capital Management, Financial Advisor & Assistant Portfolio Manager, Baltimore, MD</p>
Items 7A & 7B	<p><u>Other Business Activities and Financial Industry Affiliations</u></p> <p>Mr. Dawer is a licensed insurance agent/broker with various companies. In his role as an insurance agent/broker, he may offer commissionable insurance products to Advisor's clients for which he may receive compensation. He is also a registered representative of Purshe Kaplan Sterling Investments, Inc. ("PKS"). Mr. Dawer is a registered representative with Purshe Kaplan Sterling Investments, Inc. ("PKS"), a registered broker-dealer and Member FINRA/SIPC. In order to comply with FINRA Conduct Rule 3040, PKS as an unaffiliated broker-dealer may periodically review the investment advisory transactions of Advisor. This information will be viewed by PKS' compliance department personnel for supervisory purposes only. No information viewed will be utilized for purposes of solicitation or shared with any affiliation outside the scope of regulatory compliance.</p> <p>These activities constitute approximately 5% of his time.</p>
Item 9E & Miscellaneous	<p><u>Participation or Interest in Client Transactions</u></p> <p>BFA or individuals associated with the Firm may buy or sell – for their personal account(s) - investment products identical to those recommended to clients. Persons employed by the firm may purchase or sell the same securities as clients, so long as they</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:
Buttonwood Financial Advisors, Inc.

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801-

Date:
01/29/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Buttonwood Financial Advisors, Inc.		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	

Miscellaneous

do not do so on an individual trade basis on the same day. Generally, block trades are utilized by the firm so that BFA's principals and its clients trade on the same terms.

Code of Ethics

As these situations may represent a conflict of interest, BFA has established the following restrictions in order to ensure its fiduciary responsibilities:

- BFA emphasizes the unrestricted right of the client to specify investment objectives, guidelines, and/or conditions on the overall management of their account. BFA's standard investment process begins with reviewing applicable state statutes, investment policy, and permitted investment language provided by the client.
- Associated persons or their immediate family members shall not buy or sell securities for their personal portfolio(s) where their decision is derived in whole or in part, by reason of the associated person's employment, unless the information is also available to the investing public on reasonable inquiry. No associated person of the Firm shall prefer his or her own interest to that of the advisory client.
- BFA and its associated persons generally may not purchase and sell securities being considered for, or held by client accounts without pre-clearance of the Firm's Compliance Officer. Moreover, investment personnel may be subject to a blackout period from trading in such securities.
- BFA and its employees generally may not participate in private placements or initial public offerings (IPOs) without pre-clearance from the Firm's Compliance Officer.
- The Firm requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
- Records will be maintained of all securities bought or sold by the Firm, associated persons of the Firm, and related entities. The compliance officer will review these records on a regular basis.
- Any individual not in observance of the above may be subject to termination.

In accordance with Section 204-A of the Investment Advisers Act of 1940, BFA also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by BFA or any person associated with the Firm.

If a client or potential client wishes to view BFA's Code of Ethics in its entirety, a copy will be provided promptly upon request.

**Schedule F of
Form ADV**
Continuation Sheet for Form ADV Part II

Applicant:
Buttonwood Financial Advisors, Inc.

SEC File Number:
801-

Date:
01/29/2010

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Miscellaneous	<p><u>Privacy Statement</u></p> <p>Advisor is committed to safeguarding the confidential information of its clients and holds all personal information provided to it in the strictest confidence. These records include all personal information that Advisor collects from its clients or receives from other firms in connection with any of the financial services they provide. Advisor also requires other firms with whom they deal to restrict the use of client's information. Advisor's Privacy Policy is available upon client's engagement of the firm's services or by prior request of the clients.</p> <p><u>Insider Trading</u></p> <p>In accordance with Section 204A of the Investment Advisors Act of 1940, Advisor also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Advisor.</p> <p><u>Proxy Voting</u></p> <p>Advisor does not vote proxies.</p>
Item 10	<p><u>Conditions for Managing Accounts</u></p> <p>BFA generally requires a minimum account size of \$250,000 as a condition for starting, managing, or maintaining clients' accounts. BFA reserves the right to waive this minimum account requirement.</p>
Items 12A1&2	<p><u>INVESTMENT OR BROKERAGE DISCRETION</u></p> <p>BFA generally has discretion on client accounts to determine the specific securities to be purchased or sold as well the amount of securities to be purchased or sold.</p>
Item 12B	<p><u>Suggestion of Brokers to Clients</u></p> <p>Advisor may execute or recommend that clients execute their securities transactions through various firms including, but not limited to broker-dealers such as Fidelity Institutional Wealth Services ("FIWS") through Fidelity Brokerage Services LLC. and Purshe Kaplan Sterling Investments, Inc. ("PKS").</p> <p>FIWS and PKS may charge commissions (ticket charges) for executing Advisor's transactions. Advisor does not receive any part of these separate charges which are assessed directly to clients. FIWS and PKS do not have a role with respect to Advisor's investment advisory accounts, however it may serve as the broker-dealer in cases where clients wish to execute recommendation as part of the implementation of a financial plan. It is important to note that FIWS and PKS do not maintain supervisory relationships with respect to Advisor or its representatives nor are they in any way affiliated with it. Advisor is independently owned and operated.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
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Item 13A	<p>Advisor may recommend/require that clients establish accounts with FIWS to maintain custody of clients' assets and to effect trades for their accounts. FIWS may provide Advisor with access to their institutional trading and custody services, which are typically not available to FIWS retail investors. FIWS' services include brokerage custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.</p> <p>For Advisor's Client accounts maintained in their custody, FIWS does not charge separately for custody but are compensated by account holders through commissions or other transaction-related fees or securities trades that are executed through FIWS or that settle into FIWS accounts.</p> <p>FIWS also make available to Advisor other products and services that may benefit Advisor but which may not benefits its clients. These types of services will help Advisor in managing and administering client accounts. These include software and other technology that provide access to client account data (i.e. trade confirmations and account statements); facilitate trade executions; provide research, pricing information, and other market data; facilitate in the payment of Advisor's fees from its clients' accounts; and assist with back-office functions, record-keeping, and client reporting. Many of these services may be used to service all or a substantial number of Advisor's accounts.</p> <p>Advisor does not maintain custody of client assets. In all managed account cases, the custodian sends quarterly statements to Advisor's clients showing all disbursements for the custodian account including the amount of the advisory fees. Clients provide written authorization permitting Advisor to be paid directly for their accounts held by the custodian or trustee.</p> <p><u>Additional Compensation</u></p> <p>Applicant may receive research and execution related services from the parties mentioned in Item 12(B) of Schedule F to assist Applicant in managing its accounts. These services and products would include financial publications, pricing information and other products or services. Such research and execution related services are offered to all investment advisers who utilize these firms. However, the commissions charged by these parties may be higher than those charged by a broker who does not provide the aforementioned research and execution related services.</p>
Item 13B	<p><u>Referral Fees</u></p> <p>If a client is introduced to BFA by either an unaffiliated or an affiliated solicitor, BFA may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from BFA's</p>

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	investment management fee. As mentioned in Item 1D, where another investment adviser provides clients with bonafide advisory services (independent of BFA), BFA's advisory fees charged to clients may be higher than they normally are. This may result in additional charge to the client. If the client is introduced to BFA by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of BFA's written disclosure statement as same is set forth on Part II of Form ADV, including this Schedule F, together with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between BFA and the solicitor, including the compensation to be received by the solicitor from BFA. Any affiliated solicitor of BFA shall disclose the nature of his/her relationship to prospective clients at the time of the solicitation.
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