

Item 1 – Cover Page

Form ADV Part 2A

Piedmont Independent Fiduciaries, Inc.

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Piedmont Independent Fiduciaries, Inc. is registered with federal Securities and Exchange Commission. The statements contained herein have not been verified or evaluated by any regulator. Registration does not imply that Piedmont Independent Fiduciaries, Inc., or its associates, has attained a certain level of skill or training.

Clients and prospective clients are encouraged to visit the SEC's Investment Adviser Public Disclosure (IAPD) for more information about Piedmont Independent Fiduciaries, Inc. The IAPD web address: www.adviserinfo.sec.gov

Piedmont Independent Fiduciaries, Inc. shall be referred to as "PIF" in this document.

Item 2 – Material Changes

On July 28, 2010, the U.S. Securities and Exchange Commission adopted amendments to Part 2 of Form ADV and related rules under the Investment Advisers Act of 1940 (the “Advisers Act”). The amendments are designed to require a registered investment adviser to provide Clients with a clearly written and meaningful disclosure, in plain English, about the advisor’s business practices, conflicts of interest and advisory personnel. The new Form ADV 2 is divided into two parts, *Part 2A* and *Part 2B*.

Part 2A of the new Form (the “Firm Brochure”) provides information about a variety of topics relating to an adviser’s business practices and conflicts of interest. *Part 2B* of the new Form (the “Brochure Supplement”) requires an adviser to provide information about certain advisory personnel.

PIF believes that communication and transparency are the foundation of our relationship and continually strive to provide you with the complete and accurate information at all times. We encourage all current and prospective investors to read this Firm Brochure and discuss any questions you may have with us. And of course, we always welcome your feedback.

Initial Filing

This is the initial filing of the Firm Brochure under the new rules.

Future Changes

From time to time, we may amend this Firm Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Firm Brochure or this summary of Material Changes shall be provided to each Client annually or if a material change is made.

At any time, you may view the current Firm Brochure on-line at the SEC’s Investment Adviser Public Disclosure website at <http://adviserinfo.sec.gov>.

To review the firm information for PIF,

- Click **Investment Adviser Search** in the left navigation menu and enter.
- Select the option for Investment Adviser Firm and enter **146540** (*our firm’s CRD number*) in the field labeled “Firm IARD/CRD Number”.
- ADV Part 1 will be displayed.
- This will provide access to Form ADV 1 and 2A.
- On the left navigation, Form ADV Part 2A is located near the bottom.

You may also request a copy of this Firm Brochure at any time, free of charge, by contacting us at (703) 729-8333.

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Item 4 – Advisory Business**A. Firm Information**

Piedmont Independent Fiduciaries, Inc. (“PIF”) is an SEC-registered investment advisor offering investment advisory services and customized solutions to retirement plans.

Celia Rafalko, Kevin O’Neil and John Sample are the owners of PIF. Ms. Rafalko is the President and Chief Compliance Officer and Mr. O’Neil is Director. PIF is organized as a corporation in the Commonwealth of Virginia. PIF has been in continuous operation since March 2009. Ownership of PIF changed effective June 7, 2011. Mr. Militello was the previous President and co-owner of the Firm and continues to remain involved with certain operations of the Firm.

B. Advisory Services Offered

Investment Supervisory Services. PIF’s services include retirement plan consultation and implementation for plan sponsors. Account management is guided by the stated objectives and guidelines of each client.

PIF acts as a fiduciary to the plan sponsors. PIF provides the following services to 401K plans: assists in writing the Investment Policy Statements; advises the investment committee on plan investment decisions; due diligence on mutual fund performance and expense ratios; design, allocation, monitoring and rebalancing of risk based portfolios; and communication and education program to the employees. Accredited Investment Fiduciary Analysts (AIFAs) and Accredited Investment Fiduciaries (AIFs) of PIF may perform fiduciary assessments of retirement plans.

C. Client Account Management

Prior to engaging PIF to provide investment advisory services, the Client is required to enter into an Investment Advisory Services Agreement with PIF setting forth the terms and conditions of the engagement, as well as describing the scope of the services to be provided. These services may include:

- Establishing an Investment Policy Statement – During the initial structuring of each client account, PIF’s investment professionals and the client jointly determine an optimal investment strategy given the client’s investment objectives.
- Selecting Investment Options – In some cases clients impose investment restrictions on their accounts and these restrictions must be in writing.
- PIF uses a portfolio model approach and the portfolio model categories PIF manages include (i) Ultra-Conservative; (ii) Conservative II; (iii) Balanced; (iv) Growth and Income; and (v) Growth. These portfolio models are allocated among a group of mutual funds consisting of equity and fixed income funds depending on the risk tolerance of the client. Please refer to Item 8 of this brochure for more details regarding the model portfolios and how they are designed.

- Ongoing Investment Monitoring – PIF provides ongoing oversight of the Client’s investment program. The investment adviser representative responsible for the account will monitor account performance and periodically review accounts for consistency with client objectives and investment decisions. In addition, at least once a year every account will be reviewed by the Managing Principal/CCO.

D. Wrap Fee Programs

PIF does not place Client assets with any wrap fee programs. All management services are performed by PIF on behalf of Clients.

E. Assets Under Management

As of December 31, 2010, the most recent date for which such calculations are available, PIF manages the following assets:

Discretionary Assets	\$ 67,121,315
Non-discretionary Assets	\$0
Total	\$ 67,121,315

Item 5 – Fees and Compensation

A. Fees for Advisory Services

PIF charges clients based on a percentage of assets under management (“Basic Fees”). Compensation is payable to PIF one quarter in advance. Fees are negotiable and minimum fees may be waived.

Basic Fees. Basic Fees are based on a percentage of the market value of the account on the last business day of the previous quarter, unless otherwise agreed and stated in the advisory agreement. Fees charged are negotiable and may vary, but generally comport with percentages shown on the schedule further below. PIF will quote exact percentages to be charged each client, and include the fee schedule within its Management Agreement with the client. If the service is for less than the whole of any quarterly period, compensation will be calculated and reimbursed on a pro rata basis for that portion of the period.

*Investment Advisory Fee Schedule**

1.50% of Assets Under Management per annum
Minimum Fee of \$15,000**

* Fees are negotiable. Details about fees and expenses paid by fund shareholders are shown in a fund’s prospectus.

** Minimum fees may be waived under certain circumstances.

PIF may provide consultations to plan sponsors for an hourly rate or a fixed fee to be negotiated. These consultations may consist of a fiduciary assessment of their plan.

B. Fee Billing

Basic Fees are paid in advance on the first day of the calendar quarter based on a percentage of the market value of the account on the last business day of the previous quarter, unless otherwise agreed and stated in the advisory agreement. The retirement plan record keeper, a third party service provider to the plan, calculates the fees due to PIF on a quarterly basis and sends the amount due directly to PIF. Certain retirement plan record keepers may require PIF to provide an invoice before payment is sent. Fees are calculated and collected by the third party administrator/record-keeper and remitted to PIF.

C. Other Fees and Expenses Clients May Pay

Investment Company Fees. All fees paid to PIF investment advisory services are separate and distinct from fees charged by investment companies (mutual funds and exchange traded funds) to their shareholders. Fees and expenses paid by shareholders in a fund are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in an investment company directly, without the services of PIF. In that case, the client would not receive the services provided by PIF which are designed, among other things, to assist the client in determining which funds or other investments are most appropriate to each client's financial condition and objectives. Accordingly, a client investing in a mutual fund or other funds should review both the fees charged by the funds and the fees charged by PIF to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services provided. PIF may also recommend that a portion of the assets in an account be managed in an individual account by an external investment manager. There are additional fees associated with these investments and the client will pay those fees directly to the external investment manager.

Enrollment Brochure Fees. PIF charges a fixed amount per copy of its Enrollment Brochure. The amount per copy is \$6 and there is a minimum purchase of 25 brochures.

D. Advance Fees (if applicable)

As noted in Item 5.B., basic fees are paid in advance on the first day of the calendar quarter based on a percentage of the market value of the account on the last business day of the previous quarter, unless otherwise agreed and stated in the advisory agreement. PIF or the client may terminate an investment advisory contract at any time upon 90 days' prior written notice to the other party unless otherwise stated by the contract. Such termination shall be without any penalty and without liability of either party to the other, except for any compensation due or refundable for services provided. Refunds will be prorated based on the close date during that quarter divided by the total number of days in the applicable quarter.

E. Compensation for Sale of Securities by Supervised Persons

PIF does not buy or sell securities, nor does PIF receive any direct compensation for the sale of securities.

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

PIF does not currently charge performance-based fees for any Client. If PIF enters into such an arrangement, full disclosure will be made in this section.

Item 7 – Types of Clients

PIF only provides advisory services to pension and profit sharing plans. PIF generally requires that clients maintain a minimum of \$1,000,000 of assets under management, although under certain circumstances this may be negotiable.

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

Account management is guided by the stated objectives and guidelines of each client. PIF uses a portfolio model approach using five categories, which are further described below. These portfolio models are allocated among a group of mutual funds consisting of equity and fixed income funds depending on the risk tolerance of the client.

PIF has researched, designed and successfully implemented five (5) asset allocation model portfolios to be utilized within defined contribution plans. These portfolios are named: Ultra Conservative, Conservative II, Balanced, Growth & Income and Growth. The allocation between equities and fixed income varies between 80% fixed income/20% equities in the Ultra Conservative portfolio to 20% fixed income/80% equities in the Growth portfolio on the other extreme. The portfolios are designed using Modern Portfolio Theory to achieve different economic outcomes, in other words different expected return $E(r)$ and expected volatility $E(v)$ depending upon the needs of the Client. Additionally, the portfolios work very well in conjunction with a glide path methodology. The portfolios are comprised of ten (10) low expense ratio, institutional share class mutual funds. The weighted average cost or expense ratio of a portfolio is less than 30 basis points (0.30%). The funds are comprised largely of DFA and Vanguard index funds and are broadly diversified across the world's equity and fixed income markets. We believe strongly in providing massive diversification and the benefit that occurs when multiple asset classes are represented in a portfolio of passively managed, low cost, low turn-over SEC registered mutual funds.

Investment Company Due Diligence. PIF may invest its Clients' assets with mutual funds that pursue investment approaches that are diversified among multiple strategies, asset classes, regions,

industry sectors and securities. In selecting a fund and allocating assets to them, PIF considers both quantitative and qualitative factors including:

- Relative performance during various time periods and market cycles
- Industry reputation
- Experience and training of staff investment professionals
- The clarity of, and adherence to, a viable investment philosophy
- Risk management process
- Portfolio management capabilities
- Fee structure
- Any other factor deemed appropriate by PIF

B. Risk of Loss

Every effort is made to ensure positive outcomes for PIF Clients. However, all investments carry the risk of losses. There can be no assurance that Clients will achieve their investment goals. Clients may lose a substantial portion of their investment.

Investment Companies. Investment Companies, although regulated, can incur losses. For specific risks to a fund, the Client should read a fund's prospectus. PIF monitors a Client's risk profile to that of the models employed (see Item 8.A. above). Below are a few potential risks to investors of mutual funds.

- Diversification risk (not all funds are diversified)
- Investment risk (equity market risk, interest rate risk)
- Management style risk

Item 9 – Disciplinary Information

PIF does not have any firm or individual disciplinary disclosures to make.

Item 10 – Other Financial Industry Activities and Affiliations

A. Broker-Dealer Affiliation.

PIF or an affiliate is not registered, or have a registration pending, as a broker dealer, nor are any of its management persons registered as a registered representative of a broker-dealer.

B. Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Advisor.

PIF and any of its affiliates are not registered as a futures commission merchant, commodity pool operator or commodity trading advisor.

C. Other Financial Industry Activities or Affiliations.

Affiliated Investment Advisor. PIF has an affiliated investment advisor, Piedmont Investment Advisors, LLC, which is under common control. Piedmont will act as sub-advisor to PIF's accounts. Piedmont will be responsible for the investment research and decisions of the portfolio models. PIF will pay Piedmont a management fee for this service.

In addition, PIF and Piedmont will share office space and administrative support. PIF will pay a proportionate share to Piedmont for these expenses.

Accounting Firm and Insurance Company. Related persons of PIF have an affiliations with an accounting firm and insurance company. Mr. O'Neil, who is Director and an investment advisor for Piedmont, also has an insurance company affiliation, clients of which may also be clients of either Piedmont or PIF.

General Partner of a Private Investment Company. A related person is general partner in a partnership – Piedmont Investment Advisors, LLC serves as the General Partner to Piedmont Numismatics, LLC, which invests in rare gold and silver coins. Clients of PIF are not solicited to invest in the partnership; therefore, there is no material conflict of interest.

D. Selection of Other Investment Advisers.

PIF does not receive compensation directly or indirectly from advisers that it may recommend or select for Clients.

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

PIF has adopted a Code of Ethics (the "Code") to specify and control certain types of personal securities and other transactions deemed to create a potential or actual conflict of interest. Every officer, director and employee of Piedmont must receive, read and follow the Code's procedures as well any amendments to its procedures.

The Code and Piedmont Insider Trading Policy contains policies and procedures that, among other things:

- Prohibit directors, officers and employees from taking personal advantage of opportunities belonging to Clients;
- Prohibit trading on the basis of material nonpublic information;
- Place limitations on personal trading by directors, officers and employees and impose preclearance and reporting obligations with respect to personal trading;

- Require initial, quarterly and annual reports of securities holdings and transaction reports by directors, officers and employees;
- Prohibit directors, officers and employees from violating Federal Securities Laws; and
- Require officers, investment adviser reps and employees to promptly report any violations of the Code to the Chief Compliance Officer (“CCO”).

Officers, employees and investment adviser representatives of Piedmont may open and retain personal trading accounts pursuant to the Code.

Piedmont’s Code and Insider Trading Policy are available upon request by contacting Piedmont’s CCO at 703-729-8333.

B. Interest in Client Transactions

PIF does not recommend to Clients, or buy or sell for Client accounts, securities in which PIF or a related person has a material financial interest.

C. Personal Trading and Participation in Client Transactions

PIF related persons may occasionally purchase shares of open-end mutual funds and exchange traded funds recommended to clients. In the case of mutual funds and exchange traded funds, such purchases, by either the Client or a PIF related person, are immaterial to the total assets of the security and, therefore, preclude a conflict of interest. Related persons may buy simultaneously or after purchases are made for clients. Piedmont has implemented an investment policy relative to personal securities transactions of its employees. This investment policy is part of PIF’s overall Code of Ethics, as described above, which serves to establish a standard of business conduct for all of PIF’s supervised persons. PIF’s personal trading policy is based upon fundamental principles of openness, integrity, honesty and trust. To prevent conflicts of interest, all personal trades made by PIF’s employees are reviewed by supervisory personnel. Additionally, PIF’s policies and procedures prohibit the misuse of material nonpublic information and are designed to prevent insider trading by any employee.

Item 12 – Brokerage Practices

Item 12 is not applicable given that PIF solely manages retirement plans. PIF serves as fiduciary to the plans and assists the plan sponsor in making the investment decisions for the plans. PIF does not actually trade for the client accounts and therefore does not select broker-dealers to be used in trading.

Item 13 – Review of Accounts**A. Frequency of Reviews**

The investment advisor representative responsible for the account will periodically monitor the investment recommendations given to the plan for consistency with the investment policy statement and will be answering clients' questions or concerns on an on-going basis. In addition, at least once a year the investment advisor representative, president and compliance personnel will review each account. Generally, an annual report will be prepared to review with the plan trustees. The following will be reviewed: plan fundamentals, investment data, managed portfolio performance, allocation and expense ratios, recommendations and fees and expenses.

B. Causes for a Review

In addition to the monitoring described above, reviews may be triggered by changes in macroeconomic or issuer specific events.

C. Client Reports

Clients will generally receive annual reports from PIF. The annual reports may display the following pertinent information: plan fundamentals, investment data, managed portfolio performance, allocation and expense ratios, recommendations and fees and expenses.

Item 14 – Client Referrals and Other Compensation

Piedmont may refer Clients to various third-parties to provide certain services necessary to meet financial goals. Likewise, Piedmont may receive a Client referral from a third-party.

A. Compensation Received by Piedmont

Piedmont does not receive any compensation from third-parties in exchange for referring business to that third-party. Except as otherwise disclosed in Item 12, Piedmont is compensated exclusively by Clients.

B. Client Referrals to Piedmont

Piedmont may pay fees to persons for client referrals, as permitted by Rule 206(4)-3 of the Investment Advisors Act of 1940. Piedmont will use a portion of Piedmont's investment management fee to pay the referring party. All solicitor fees will be paid by Piedmont rather than by the client. Referral fees are paid annually so long as the client remains with Piedmont and as long as the solicitor remains eligible and qualified to receive such fees. The fee paid shall be calculated by the following methods: (1) 50% of the first year fee with no additional comp in future years, or (2) 30% of the first year fee, 20% of second year fee. For solicitors who choose option two, they will receive 20% of third year fees on the initial referral so long as they solicit at least one additional plan with at least \$2,000,000 in assets during years one or two. They will receive 20% of fourth year fees on all previous referrals so long as they solicit at least one additional plan with \$2,000,000 in assets

during year three. This compensation can continue indefinitely so long as the solicitor solicits one \$2,000,000 each year.

Item 15 – Custody

Piedmont will not maintain physical possession of the funds or securities of a retirement plan. Custody is determined by the plan sponsor.

Item 16 – Investment Discretion**A. Discretionary Portfolio Management**

PIF solely manages retirement plans. PIF serves as fiduciary to the plans and assists the plan sponsor in making the investment decisions for the plans. PIF does not actually trade for the client accounts. PIF or its sub-advisor makes the investment decisions as far as the portfolio models are concerned. The portfolio models are allocated among a group of mutual funds consisting of equity and fixed income funds depending on the risk tolerance of the clients. The plan participants actually make the investment selections from the models and third party administrators process their trades through the plan custodian.

Item 17 – Voting Client Securities

Piedmont does not accept proxy voting authority with respect to securities held in Clients' retirement plans. Consequently, all proxy solicitations will be sent directly to Clients for voting.

Item 18 – Financial Information

Piedmont does not have any adverse financial information to disclose. The management of Piedmont believes that they are financially sound.