

# Values First Advisors, Inc.

101 Old Gray Station Road  
Gray, Tennessee 37615

(877) 832-3847

[www.ValuesFirst.com](http://www.ValuesFirst.com)

This brochure provides information about the qualifications and business practices of Values First Advisors, Inc. "VFA". If you have any questions about the contents of this brochure, please contact us at (877) 832-3847 or [info@valuesfirst.com](mailto:info@valuesfirst.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state authority.

Additional information about VFA also is available on the SEC's website at  
[www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

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## ***Advisory Business***

### **General Information**

Values First Advisors, Inc. was formed in 2009, and provides financial planning and portfolio management services to its clients. At the outset of each client relationship, VFA spends time with the client, asking questions, discussing the client's investment experience and financial circumstances, and broadly identifying major goals of the client.

Clients may elect to retain VFA to prepare a full financial plan. This written report is presented to the client for consideration. In most cases, clients subsequently retain VFA to manage the investment portfolio on an ongoing basis.

For those financial planning clients making this election, and for other clients who do not need financial planning but retain VFA for portfolio management services, based on all the information initially gathered, VFA generally develops with each client:

- a financial outline for the client based on the client's financial circumstances and goals, and the client's risk tolerance level (the "Financial Profile");
- the client's investment objectives and guidelines (the "Investment Plan").

The Financial Profile is a reflection of the client's current financial picture and a look to the future goals of the client. The Investment Plan outlines the types of investments VFA will make on behalf of the client in order to meet those goals. The Profile and the Plan are discussed regularly with each client, but are not necessarily written documents.

Finally, where VFA provides only limited financial planning or general consulting services, VFA will work with the client to prepare an appropriate summary of the specific project(s) to the extent necessary or advisable under the circumstances.

### **Financial Planning**

One of the services offered by VFA is Financial Planning, described below. This service may be provided as a stand-alone service, or may be coupled with ongoing portfolio management.

Financial Planning may include advice that addresses one or more areas of a client's financial situation, such as estate planning, risk management, budgeting and cash flow controls, retirement planning, education funding, and investment portfolio design and ongoing management. Depending on a client's particular situation, financial planning may include some or all of the following:

- Gathering factual information concerning the client's personal and financial situation;
- Assisting the client in establishing financial goals and objectives;
- Analyzing the client's present situation and anticipated future activities in light of the client's financial goals and objectives;
- Identifying problems foreseen in the accomplishment of these financial goals and objectives and offering alternative solutions to the problems;
- Making recommendations to help achieve retirement plan goals and objectives.
- Designing an investment portfolio to help meet the goals and objectives of the client;
- Providing estate planning;
- Assessing risk and reviewing basic health, life and disability insurance needs; or

- Reviewing goals and objectives and measuring progress toward these goals.

Once Financial Planning advice is given, the client may choose to have VFA implement the client's financial plan and manage the investment portfolio on an ongoing basis. However, the client is under no obligation to act upon any of the recommendations made by VFA under a Financial Planning engagement and/or engage the services of any recommended professional.

#### Portfolio Management

As described above, at the beginning of a client relationship, VFA meets with the client, gathers information and performs research and analysis as necessary to develop the client's Investment Plan. The Investment Plan will be updated from time to time when requested by the client, or when determined to be necessary or advisable by VFA based on updates to the client's financial or other circumstances.

To implement the client's Investment Plan, VFA will manage the client's investment portfolio on a discretionary basis. As a discretionary investment adviser, VFA will have the authority to supervise and direct the portfolio without prior consultation with the client.

Notwithstanding the foregoing, clients may impose certain written restrictions on VFA in the management of their investment portfolios, such as prohibiting the inclusion of certain types of investments (e.g., "sin stocks") in an investment portfolio or prohibiting the sale of certain investments held in the account at the commencement of the relationship. Each client should note, however, that restrictions imposed by a client may adversely affect the composition and performance of the client's investment portfolios. Each client should also note that his or her investment portfolio is treated individually by giving consideration to each purchase or sale for the client's account. For these and other reasons, performance of client investment portfolios within the same investment objectives, goals and/or risk tolerance may differ and clients should not expect that the composition or performance of their investment portfolios would necessarily be consistent with similar clients of VFA.

#### Separate Account Managers

Once the asset allocation plan has been established, VFA will either manage part or all of the portfolio in-house or may recommend the use of one or more Separate Account Managers (each a "Sub-adviser"). From time to time these Sub-advisers may be a part of a wrap program. A wrap program is one in which the manager's fee is combined with brokerage fees, such as commissions, ticket charges, etc., so that one inclusive fee is charged for those services.

In cases where VFA recommends the use of one or more Sub-Advisers to manage all or a portion of a client's portfolio, VFA will select the Sub-adviser(s) most appropriate for the client. The Sub-adviser(s) will be granted discretionary trading authority to provide investment supervisory services for the portfolio, but VFA retains the authority to terminate the Sub-Adviser's relationship or to add new Sub-Advisers without specific client consent. With respect to assets managed by a Sub-adviser, VFA's role will be to monitor the overall financial situation of the client, to monitor the investment approach and performance of the Sub-adviser(s), and to assist the client in understanding the investments of the portfolio.

The Sub-Advisers utilized by VFA are reviewed and monitored on an ongoing basis. Allocations among Sub-Advisers are generally rebalanced on an annual basis to ensure that the portfolio is still invested in accordance with the Investment Plan. Because VFA has the authority to allocate,

without client consent, a higher proportion of the total portfolio to in-house management, a conflict of interest may exist.

#### Principal Owners

James H. Miller, Roy E. Nunn, and L. Alex Ellis are the principal owners of VFA. Please see ***“Brochure Supplement(s)”***, Appendix A, for more information on these principal owners and other individuals who formulate investment advice and have direct contact with clients, or have discretionary authority over client accounts.

#### Type and Value of Assets Currently Managed

As of March 22, 2011, VFA managed \$71,967,632 on a discretionary basis, and no assets on a non-discretionary basis.

#### ***Fees and Compensation***

##### General Fee Information

Fees paid to VFA are exclusive of all custodial and transaction costs paid to the client’s custodian, brokers or other third party consultants. Fees paid to VFA are also separate and distinct from the fees and expenses charged by mutual funds, ETFs (exchange traded funds) or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund’s prospectus or offering materials). The client should review all fees charged by funds, brokers, VFA and others to fully understand the total amount of fees paid by the client for investment and financial-related services.

##### Financial Planning Fees

Fees for services outside of portfolio management are negotiated separately at the time of the engagement, and are normally based on a fixed or hourly basis and on the scope of services desired.

##### Portfolio Management Fees

The annual fee schedule, based on a percentage of assets under management, is as follows:

Up to \$500,000	1.25%
\$500,001 to \$1,000,000	1.00%
\$1,000,001 to \$3,000,000	0.70%
\$3,000,001 to \$5,000,000	0.55%
Balance above \$5,000,000	Negotiable

VFA may impose a minimum portfolio value. The minimum annual fee for any account is \$500. VFA may, at its discretion, make exceptions to the foregoing or negotiate special fee arrangements where VFA deems it appropriate under the circumstances.

Portfolio management fees are calculated based on the value of the account at the end of the previous month and are generally payable monthly, in advance. If management begins after the start of a month, fees will be prorated accordingly. Fees are normally debited directly from client account(s), unless other arrangements are made.

Either VFA or the client may terminate their Investment Management Agreement at any time, subject to any written notice requirements in the agreement. In the event of termination, any paid but unearned fees will be promptly refunded to the client, and any fees due to VFA from the client will be invoiced or deducted from the client’s account prior to termination.

### Separate Account Managers

Sub-Adviser fees may be charged in advance or arrears, depending on the Sub-Adviser(s) selected. In instances where the services of a Sub-adviser are utilized, both brokerage expenses and the Sub-Adviser's fee will be charged in addition to VFA's fee. The fee charged by the Sub-Adviser will not exceed 0.60%. For any portion of the portfolio that VFA manages in-house, VFA will assess an additional annual fee, not to exceed 0.60%.

### **Summary of Annual Management Fees**

VFA Advisory Services	1.25% on the first \$500,000 (1.00% on \$500,001 to \$1,000,000; 0.70% on \$1,000,001 to \$3,000,000; 0.55% on \$3,000,001 to \$5,000,000; balance above \$5,000,000 are negotiable)
Sub-Adviser Services	0.60% for each manager used* (maximum fee)
Brokerage/Custodial Fees	<u>0.25%</u> (0.15% if portfolio is more than \$1,000,000)**
Total	2.10%

\* For any portion of the portfolio that is managed in-house, this fee will be paid to VFA in addition to the Advisory Services fee. When other Sub-Advisers are chosen, this fee will be paid to the Sub-Adviser(s).

\*\*This is the fee charged by FolioFN. Those clients who elect to hold their accounts at an alternate custodian will be subject to that custodian's fee schedule. Clients should also note that trades placed outside of specific times designated by FolioFN (trade windows) may be assessed additional transaction fees by FolioFN.

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

VFA does not have any performance-based fee arrangements.

### ***Types of Clients***

VFA serves individuals, trusts, estates, pension and profit sharing plans and charitable organizations. VFA may impose a minimum portfolio value for conventional investment advisory services. The annual minimum fee charged is \$500. Under certain circumstances and in its sole discretion, VFA may negotiate such minimums.

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

#### Methods of Analysis

In accordance with the Investment Plan, VFA will invest in some combination of common stocks, ETF's, mutual funds, and corporate bonds for client accounts. Specific investments are either selected in-house or VFA may recommend the use of one or more Sub-Advisers.

In evaluating securities, VFA generally focuses on traditional fundamental analysis including, without limitation, the review of financial strength ratios, price-to-earnings ratios, dividend yields, and other factors. VFA may also incorporate other methods of analysis, such as technical analysis, which involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.

Mutual funds, ETFs and Sub-Advisers are generally evaluated and selected based on a variety of factors, including, without limitation, past performance, fee structure, portfolio manager, fund sponsor, overall ratings for safety and returns, and other factors.

Fixed income investments may be used as a strategic investment, as an instrument to fulfill liquidity or income needs in a portfolio, or to add a component of capital preservation. VFA may evaluate and select individual bonds, bond ETFs, or bond funds based on a number of factors including, without limitation, rating, yield and duration.

#### Investment Strategies:

VFA's strategic approach is to invest each portfolio in accordance with the Plan that has been developed specifically for each client. VFA is generally a long term investor, meaning that securities are most often purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year. However, when appropriate for a given client and in light of specific market conditions, VFA may also employ a short-term strategy, and accordingly securities may be purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short term price fluctuations.

#### Risk of Loss

While VFA seeks to diversify clients' investment portfolios across various asset classes consistent with their Investment Plans in an effort to reduce risk of loss, all investment portfolios are subject to risks. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money.

Below is a description of several of the principal risks that client investment portfolios face.

*Management Risks.* While VFA manages client investment portfolios based on VFA's experience, research and proprietary methods, the value of client investment portfolios will change daily based on the performance of the underlying mutual funds and other securities in which they are invested. Accordingly, client investment portfolios are subject to the risk that VFA allocates assets to asset classes that are adversely affected by unanticipated market movements, and the risk that VFA's specific investment choices could underperform their relevant indexes.

*Risks of Socially Responsible Investing.* VFA seeks to invest in companies whose values are in line with those of VFA. When selecting Sub-Advisers, VFA looks for those firms that also share these values, although each Sub-Adviser has its own specific parameters and filters in use. These will undoubtedly vary some from those utilized by VFA, but do have significant commonality. Strong fiscal policies, life-enhancing products/services, positive corporate culture and support for Christian ministries are some of the characteristics of the companies that VFA seeks out for its clients, while trying to avoid those companies that support abortion, pornography, alcohol, tobacco and other similar industries. While VFA is committed to using screening techniques to invest accordingly, there is no guarantee that all the negative factors can be avoided. Additionally, it should be noted that investing in this way does have the effect of limiting the field of possible investment alternatives.

*Risks of Investments in Mutual Funds, ETFs and Other Investment Pools.* As described above, VFA may invest client portfolios in mutual funds, ETFs and other investment pools ("pooled investment funds"). Investments in pooled investment funds are generally less risky than investing in individual securities because of their diversified portfolios; however, these investments are still

subject to risks associated with the markets in which they invest. In addition, pooled investment funds' success will be related to the skills of their particular managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940.

*Equity Market Risks.* VFA will generally invest portions of client assets directly into equity investments, primarily stocks, or into pooled investment funds that invest in the stock market. As noted above, while pooled investments have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects.

*Fixed Income Risks.* VFA may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

*Foreign Securities Risks.* VFA may invest portions of client assets into pooled investment funds that invest internationally. While foreign investments are important to the diversification of client investment portfolios, they carry risks that may be different from U.S. investments. For example, foreign investments may not be subject to uniform audit, financial reporting or disclosure standards, practices or requirements comparable to those found in the U.S. Foreign investments are also subject to foreign withholding taxes and the risk of adverse changes in investment or exchange control regulations. Finally, foreign investments may involve currency risk, which is the risk that the value of the foreign security will decrease due to changes in the relative value of the U.S. dollar and the security's underlying foreign currency.

### ***Disciplinary Information***

VFA has no disciplinary events to report.

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

Neither VFA nor its Management Persons has any other financial industry activities or affiliations to report.

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

#### **Code of Ethics and Personal Trading**

VFA has adopted a Code of Ethics ("the Code"), the full text of which is available to you upon request. VFA's Code has several goals. First, the Code is designed to assist VFA in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisers Act of 1940, VFA owes fiduciary duties to its clients. Pursuant to these fiduciary duties, the Code requires VFA associated persons to act with honesty, good faith and fair dealing in

working with clients. In addition, the Code prohibits associated persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards for VFA's associated persons (managers, officers and employees). Under the Code's Professional Standards, VFA expects its associated persons to put the interests of its clients first, ahead of personal interests. In this regard, VFA associated persons are not to take inappropriate advantage of their positions in relation to VFA clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time VFA's associated persons may invest in the same securities recommended to clients. Under its Code, VFA has adopted procedures designed to reduce or eliminate conflicts of interest that this could potentially cause. The Code's personal trading policies include procedures for limitations on personal securities transactions of associated persons, reporting and review of such trading and pre-clearance of certain types of personal trading activities. These policies are designed to discourage and prohibit personal trading that would disadvantage clients. The Code also provides for disciplinary action as appropriate for violations.

#### Participation or Interest in Client Transactions

Because associated persons may invest in the same securities as those purchased in client accounts, VFA has established a policy requiring its associated persons to pre-clear transactions in these securities with the Chief Compliance Officer. The goal of this policy is to avoid any conflict of interest that may present itself in these situations. Certain securities, such as CD's, treasury obligations and open-end mutual funds are exempt from this pre-clearance requirement. However, in the event of other identified potential trading conflicts of interest, VFA's goal is to place client interests first.

Consistent with the foregoing, VFA maintains policies regarding participation in initial public offerings (IPOs) and private placements in order to comply with applicable laws and avoid conflicts with client transactions. If a VFA associated person wishes to participate in an IPO or invest in a private placement, he or she must submit a pre-clearance request and obtain the approval of the Chief Compliance Officer. If associated persons trade with client accounts (e.g., in a bundled or aggregated trade), and the trade is not filled in its entirety, the associated person's shares will be removed from the block, and the balance of shares will be allocated among client accounts in accordance with VFA's written policy.

#### ***Brokerage Practices***

##### Best Execution and Benefits of Brokerage Selection

When given discretion to select the brokerage firm that will execute orders in client accounts, VFA seeks "best execution" for client trades, which is a combination of a number of factors, including, without limitation, quality of execution, services provided and commission rates. Therefore, VFA may use or recommend the use of brokers who do not charge the lowest available commission in the recognition of research and securities transaction services, or quality of execution. Research services received with transactions may include proprietary or third party research (or any combination), and may be used in servicing any or all of VFA's clients. Therefore, research services received may not be used for the account for which the particular transaction was effected.



VFA participates in the Institutional service programs of Schwab, TD Ameritrade, and FolioFN (collectively, "the Brokers"). While there is no direct link between the investment advice VFA provides and participation in the Brokers' programs, VFA receives certain economic benefits from the programs. These benefits may include software and other technology that provides access to client account data (such as trade confirmations and account statements), facilitates trade execution (and allocation of aggregated orders for multiple client accounts), provides research, pricing information and other market data, facilitates the payment of VFA's fees from its clients' accounts, and assists with back-office functions, recordkeeping and client reporting. Many of these services may be used to service all or a substantial number of VFA's accounts, including accounts not held at the Brokers. The Brokers may also make available to VFA other services intended to help VFA manage and further develop its business. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, the Brokers may make available, arrange and/or pay for these types of services to be rendered to VFA by independent third parties. The Brokers may discount or waive fees it would otherwise charge for some of these services, pay all or a part of the fees of a third-party providing these services to VFA, and/or the Brokers may pay for travel expenses relating to participation in such training. Finally, participation in the Brokers' programs provides VFA with access to mutual funds which normally require significantly higher minimum initial investments or are normally available only to institutional investors.

The benefits received through participation in the Brokers' programs do not necessarily depend upon the proportion of transactions directed to the Brokers. The benefits are received by VFA, in part because of commission revenue generated for the Brokers by VFA's clients. This means that the investment activity in client accounts is beneficial to VFA, because the Brokers do not assess a fee to VFA for these services. This creates an incentive for VFA to continue to recommend the Brokers to its clients. While it may be possible to obtain similar custodial, execution and other services elsewhere at a lower cost, VFA believes that the Brokers provide an excellent combination of these services.

#### Directed Brokerage

Clients may direct VFA to use a particular broker for custodial or transaction services on behalf of the client's portfolio. In directed brokerage arrangements, the client is responsible for negotiating the commission rates and other fees to be paid to the broker. Accordingly, a client who directs brokerage should consider whether such designation may result in certain costs or disadvantages to the client, either because the client may pay higher commissions or obtain less favorable execution, or the designation limits the investment options available to the client.

The arrangement that VFA has with the Brokers is designed to maximize efficiency and to be cost effective. By directing brokerage arrangements, the client acknowledges that these economies of scale and levels of efficiency are generally compromised when alternative brokers are used. While every effort is made to treat clients fairly over time, the fact that a client chooses to use the brokerage and/or custodial services of these alternative service providers may in fact result in a certain degree of delay in executing trades for their account(s) and otherwise adversely affect management of their account(s).

By directing VFA to use a specific broker or dealer, clients who are subject to ERISA confirm and agree with VFA that they have the authority to make the direction, that there are no provisions in any client or plan document which are inconsistent with the direction, that the brokerage and other goods and services provided by the broker or dealer through the brokerage transactions are provided solely to and for the benefit of the client's plan, plan participants and their beneficiaries,

that the amount paid for the brokerage and other services have been determined by the client and the plan to be reasonable, that any expenses paid by the broker on behalf of the plan are expenses that the plan would otherwise be obligated to pay, and that the specific broker or dealer is not a party in interest of the client or the plan as defined under applicable ERISA regulations.

#### Aggregated Trade Policy

VFA may block trades where possible and when advantageous to clients whose accounts have a need to buy or sell shares of the same security. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rata basis between all accounts included in any such block. Block trading allows VFA to execute equity trades in a timely, equitable manner, and may reduce overall costs to clients.

VFA will only aggregate transactions when it believes that aggregation is consistent with its duty to seek best execution (which includes the duty to seek best price) for its clients, and is consistent with the terms of VFA's investment advisory agreement with each client for which trades are being aggregated. No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all VFA's transactions in a given security on a given business day, with transaction costs generally shared pro-rata based on each client's participation in the transaction. On occasion, owing to the size of a particular account's pro rata share of an order or other factors, the commission or transaction fee charged could be above or below a breakpoint in a pre-determined commission or fee schedule set by the executing broker, and therefore transaction charges may vary slightly among accounts. Accounts may be excluded from a block due to tax considerations, client direction or other factors making the account's participation ineligible or impractical.

VFA will prepare, before entering an aggregated order, a written statement ("Allocation Statement") specifying the participating client accounts and how it intends to allocate the order among those clients. If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the Allocation Statement. If the order is partially filled, it will generally be allocated pro-rata, based on the Allocation Statement, or randomly in certain circumstances. Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment, and the reason for different allocation is explained in writing and is approved by an appropriate individual/officer of VFA. VFA's books and records will separately reflect, for each client account, the orders of which are aggregated, the securities held by and bought and sold for that account. Funds and securities of clients whose orders are aggregated will be deposited with one or more banks or broker-dealers, and neither the clients' cash nor their securities will be held collectively any longer than is necessary to settle the transaction on a delivery versus payment basis; cash or securities held collectively for clients will be delivered out to the custodian bank or broker-dealer as soon as practicable following the settlement, and VFA will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation.

#### ***Review of Accounts***

Managed portfolios are reviewed at least annually, but may be reviewed more often if requested by the client, upon receipt of information material to the management of the portfolio, or at any time such review is deemed necessary or advisable by VFA. The Advisor assigned to each account conducts the reviews, under the supervision of one or more principals.

For those clients to whom VFA provides separate financial planning and/or consulting services, reviews are conducted on an as needed or agreed upon basis. Such reviews are conducted by one of VFA's investment adviser representatives or principals.

Account custodians are responsible for providing monthly or quarterly account statements which reflect the positions (and current pricing) in each account as well as transactions in each account, including fees paid from an account. Account custodians also provide prompt confirmation of all trading activity, and year-end tax statements, such as 1099 forms. VFA will provide additional written reports as needed or requested by the client.

### ***Client Referrals and Other Compensation***

As noted above, VFA may receive some benefits from the Brokers based on the amount of client assets held at the Brokers. Please see ***"Brokerage Practices"*** for more information. However, neither the Brokers nor any other party is paid to refer clients to VFA.

### ***Custody***

The Brokers are the custodians of nearly all client accounts at VFA. From time to time however, clients may select an alternate broker to hold accounts in custody. In any case, it is the custodian's responsibility to provide clients with confirmations of trading activity, tax forms and at least quarterly account statements. Clients are advised to review this information carefully, and to notify VFA of any questions or concerns. Clients are also asked to promptly notify VFA if the custodian fails to provide statements on each account held.

From time to time and in accordance with VFA's agreement with clients, VFA will provide additional reports. The account balances reflected on these reports should be compared to the balances shown on the brokerage statements to ensure accuracy. At times there may be small differences due to the timing of dividend reporting and pending trades.

### ***Investment Discretion***

As described above under ***"Advisory Business"***, VFA manages portfolios on a discretionary basis. This means that after an Investment Plan is developed for the client's investment portfolio, VFA will execute that plan without specific consent from the client for each transaction. For discretionary accounts, a Limited Power of Attorney ("LPOA") is executed by the client, giving VFA the authority to carry out various activities in the account, generally including the following: trade execution; the ability to request checks on behalf of the client; and, the withdrawal of advisory fees directly from the account. VFA then directs investment of the client's portfolio using its discretionary authority. The client may limit the terms of the LPOA to the extent consistent with the client's investment advisory agreement with VFA and the requirements of the client's custodian. The discretionary relationship is further described in the agreement between VFA and the client.

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

As a policy and in accordance with VFA's client agreement, VFA does not vote proxies related to securities held in client accounts. The custodian of the account will normally provide proxy materials directly to the client. Clients may contact VFA with questions relating to proxy procedures and proposals; however, VFA generally does not research particular proxy proposals.

***Financial Information***

VFA does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore has no disclosure required for this item.

**Brochure Supplement for**

**James H. Miller**

**of**

**Values First Advisors, Inc.**

101 Old Gray Station Road  
Gray, Tennessee 37615

(877) 832-3847

[www.ValuesFirstAdvisors.com](http://www.ValuesFirstAdvisors.com)

May 3, 2011

This brochure supplement provides information about James Miller, and supplements the Values First Advisors, Inc. ("VFA") brochure. You should have received a copy of that brochure. Please contact VFA at (877) 832-3847 if you did not receive VFA's brochure, or if you have any questions about the contents of this supplement.

Additional information about James Miller is available on the SEC's website at  
[www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

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***Educational Background and Business Experience***

James H. Miller (year of birth 1941) co-founded Values First Advisors, Inc. in 2009 and currently serves as VFA's Chief Executive Officer and President. James was an Investment Advisor Representative with American Values Investments for eight years. Prior to this, he served as Regional Vice President at J.J.B. Hilliard, W.L. Lyons Inc. from 1989-2002. James served as Regional Vice President at First American National Securities, Inc. from 1983-1989.

James graduated from Lexington Baptist College in 1968 with a BA, from Tennessee Temple University in 1971 with a MDiv, and from Lexington Baptist College in 1974 with a MRe.

***Disciplinary Information***

There is no disciplinary information to report regarding James.

***Other Business Activities***

James is not engaged in any other business activities.

***Additional Compensation***

James has no other income or compensation to disclose.

***Supervision***

James Miller is the President and co-founder of VFA. Roy Nunn is the Vice President and co-founder of VFA. Alex Ellis is co-founder, and also serves as Chief Compliance Officer. All are Portfolio Managers and serve on the investment committee.

Overall investment decisions are made as a team by the investment committee, and portfolio activity based on these decisions will be carried by these individuals, as assisted by other staff members of the firm.

As Chief Compliance Officer, Alex Ellis is responsible for providing supervisory oversight to the staff. He also participates as a team member in the investment and trading processes. Alex may be contacted at (877) 832-3847.

**Brochure Supplement for**

**Roy E. Nunn**

1077-B West Main Street  
Abingdon , VA 24212

**of**

**Values First Advisors, Inc.**

101 Old Gray Station Road  
Gray, Tennessee 37615

(877) 832-3847

[www.ValuesFirstAdvisors.com](http://www.ValuesFirstAdvisors.com)

May 3, 2011

This brochure supplement provides information about Roy Nunn, and supplements the Values First Advisors, Inc. ("VFA") brochure. You should have received a copy of that brochure. Please contact VFA at (877) 832-3847 if you did not receive VFA's brochure, or if you have any questions about the contents of this supplement.

Additional information about Roy Nunn is available on the SEC's website at  
[www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

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***Educational Background and Business Experience***

Roy E. Nunn (year of birth 1952) co-founded Values First Advisors, Inc. in 2009 and currently serves as VFA's Vice President. Roy was an Investment Advisor Representative with American Values Investments for eight years. He also served as a Registered Representative at CFD Investments, Inc. from 2003-2008. Prior to this, Roy served briefly at The Leaders Group, Inc. as a Registered Representative in 2003. He served at Primerica Financial Services, Inc./First American National Securities, Inc. as a Regional Vice President from 1984-2003.

Roy graduated from Tennessee Temple College in 1974 with a BA and from Temple Baptist Theological Seminary in 1977 with an MRe.

***Disciplinary Information***

There is no disciplinary information to report regarding Roy.

***Other Business Activities***

Roy is not engaged in any other business activities.

***Additional Compensation***

Roy has no other income or compensation to disclose.

***Supervision***

James Miller is the President and co-founder of VFA. Roy Nunn is the Vice President and co-founder of VFA. Alex Ellis is co-founder, and also serves as Chief Compliance Officer. All are Portfolio Managers and serve on the investment committee.

Overall investment decisions are made as a team by the investment committee, and portfolio activity based on these decisions will be carried by these individuals, as assisted by other staff members of the firm.

As Chief Compliance Officer, Alex Ellis is responsible for providing supervisory oversight to the staff. He also participates as a team member in the investment and trading processes. Alex may be contacted at (877) 832-3847.



**Brochure Supplement for**

**L. Alex Ellis**

**of**

**Values First Advisors, Inc.**

101 Old Gray Station Road  
Gray, Tennessee 37615

(877) 832-3847

[www.ValuesFirstAdvisors.com](http://www.ValuesFirstAdvisors.com)

May 3, 2011

This brochure supplement provides information about Alex Ellis, and supplements the Values First Advisors, Inc. ("VFA") brochure. You should have received a copy of that brochure. Please contact VFA at (877) 832-3847 if you did not receive VFA's brochure, or if you have any questions about the contents of this supplement.

Additional information about Alex Ellis is available on the SEC's website at  
[www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

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***Educational Background and Business Experience***

L. Alex Ellis (year of birth 1971) co-founded Values First Advisors, Inc. in 2009 and currently serves as VFA's Vice President, Chief Compliance Officer, and Treasurer. Alex was an Investment Advisor Representative with American Values Investments since 2007. Prior to this, he was a sales trainer with Terminix International from 2004-2007.

Alex graduated from Lexington Baptist College in 1996 with a BA. He is currently working to receive his Master of Business Administration (MBA) degree at the Jack Welch Management Institute at Chancellor University.

***Disciplinary Information***

There is no disciplinary information to report regarding Alex.

***Other Business Activities***

Alex is not engaged in any other business activities.

***Additional Compensation***

Alex has no other income or compensation to disclose.

***Supervision***

James Miller is the President and co-founder of VFA. Roy Nunn is the Vice President and co-founder of VFA. Alex Ellis is co-founder, and also serves as Chief Compliance Officer. All are Portfolio Managers and serve on the investment committee.

Overall investment decisions are made as a team by the investment committee, and portfolio activity based on these decisions will be carried by these individuals, as assisted by other staff members of the firm.

As Chief Compliance Officer, Alex Ellis is responsible for providing supervisory oversight to the staff. He also participates as a team member in the investment and trading processes. Alex may be contacted at (877) 832-3847.

**Brochure Supplement for**

**Connie Pearson**

32235 W. 95th Street  
De Soto, KS 66018

**of**

**Values First Advisors, Inc.**

101 Old Gray Station Road  
Gray, Tennessee 37615

(877) 832-3847

[www.ValuesFirstAdvisors.com](http://www.ValuesFirstAdvisors.com)

May 3, 2011

This brochure supplement provides information about Connie Pearson, and supplements the Values First Advisors, Inc. ("VFA") brochure. You should have received a copy of that brochure. Please contact VFA at (877) 832-3847 if you did not receive VFA's brochure, or if you have any questions about the contents of this supplement.

Additional information about Connie Pearson is available on the SEC's website at  
[www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

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***Educational Background and Business Experience***

Connie Pearson (year of birth 1974) is an Investment Advisor Representative at Values First Advisors, Inc. since 2010. Prior to this, Connie served as a Registered Representative at Transamerica Financial Advisors from 2003-2010. She also served as a Registered Representative with Zahorik Company, Inc. from 2001-2003.

Connie is currently working to receive her Chartered Financial Consultant\* (ChFC) designation.

\* The ChFC is a financial planning designation for the insurance industry awarded by the American College of Bryn Mawr. ChFCs must meet experience requirements and pass exams covering finance and investing. They must have at least three years of experience in the financial industry, and have studied and passed an examination on the fundamentals of financial planning, including income tax, insurance, investment and estate planning.

***Disciplinary Information***

There is no disciplinary information to report regarding Connie.

***Other Business Activities***

Connie is not engaged in any other business activities.

***Additional Compensation***

Connie has no other income or compensation to disclose.

***Supervision***

James Miller is the President and co-founder of VFA. Roy Nunn is the Vice President and co-founder of VFA. Alex Ellis is co-founder, and also serves as Chief Compliance Officer. All are Portfolio Managers and serve on the investment committee.

Overall investment decisions are made as a team by the investment committee, and portfolio activity based on these decisions will be carried by these individuals, as assisted by other staff members of the firm.

As Chief Compliance Officer, Alex Ellis is responsible for providing supervisory oversight to the staff. He also participates as a team member in the investment and trading processes. Alex may be contacted at (877) 832-3847.

**Brochure Supplement for**

**Kenneth G. Brewer**

**of**

**Values First Advisors, Inc.**

101 Old Gray Station Road  
Gray, Tennessee 37615

(877) 832-3847

[www.ValuesFirstAdvisors.com](http://www.ValuesFirstAdvisors.com)

May 3, 2011

This brochure supplement provides information about Kenneth Brewer, and supplements the Values First Advisors, Inc. ("VFA") brochure. You should have received a copy of that brochure. Please contact VFA at (877) 832-3847 if you did not receive VFA's brochure, or if you have any questions about the contents of this supplement.

Additional information about Kenneth Brewer is available on the SEC's website at  
[www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

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***Educational Background and Business Experience***

Kenneth G. Brewer (year of birth 1978) is an Investment Advisor Representative for Values First Advisors, Inc. since 2009. Prior to this, Kenneth served as an Investment Advisor Representative with American Values Investments from 2008-2009. He also served as a Professor at Northeast State Community College from 2005-2010.

Kenneth graduated from East Tennessee State University in 2002 with an MA in Clinical Psychology. He is currently working to receive his Master of Financial Planning degree from Golden Gate University.

***Disciplinary Information***

There is no disciplinary information to report regarding Kenneth.

***Other Business Activities***

Kenneth is not engaged in any other business activities.

***Additional Compensation***

Kenneth has no other income or compensation to disclose.

***Supervision***

Alex is responsible for supervising Kenneth, and may be contacted at (877) 832-3847.

**Brochure Supplement for**

**Michael D. Mitchell**

991 IL Rt 140  
Greenville, IL 62246

**of**

**Values First Advisors, Inc.**

101 Old Gray Station Road  
Gray, Tennessee 37615

(877) 832-3847

[www.ValuesFirstAdvisors.com](http://www.ValuesFirstAdvisors.com)

May 3, 2011

This brochure supplement provides information about Michael Mitchell, and supplements the Values First Advisors, Inc. ("VFA") brochure. You should have received a copy of that brochure. Please contact VFA at (877) 832-3847 if you did not receive VFA's brochure, or if you have any questions about the contents of this supplement.

Additional information about Michael Mitchell is available on the SEC's website at  
[www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

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***Educational Background and Business Experience***

Michael D. Mitchell (year of birth 1970) is an Investment Analyst and Investment Advisor Representative at Values First Advisors, Inc. since 2009. Michael also serves as a Product Development Specialist with Sigma-Aldrich since 2010. Prior to this, he served as a Research Scientist at Pfizer from 1995-2010.

Michael graduated from Greenville College in 1993 with a BA and from Southern Illinois University Edwardsville in 1995 with a Masters in Biochemistry.

***Disciplinary Information***

There is no disciplinary information to report regarding Michael.

***Other Business Activities***

Michael also serves as a Product Development Specialist with Sigma-Aldrich since 2010.

***Additional Compensation***

Michael has no other income or compensation to disclose.

***Supervision***

James Miller is the President and co-founder of VFA. Roy Nunn is the Vice President and co-founder of VFA. Alex Ellis is co-founder, and also serves as Chief Compliance Officer. All are Portfolio Managers and serve on the investment committee.

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As Chief Compliance Officer, Alex Ellis is responsible for providing supervisory oversight to the staff. He also participates as a team member in the investment and trading processes. Alex may be contacted at (877) 832-3847.