

ATON Financial Management, LLC

Form ADV Part 2

March 31, 2014

This brochure provides information about the qualifications and business practices of ATON Financial Management, LLC. If you have any questions about the contents of this brochure, please contact Bruce Six, Chief Executive Officer, at 717-985-3300. Email inquiries may be sent to bsix@atonfm.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about ATON Financial Management, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

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Item 3 Table of Contents

Item 4 Advisory Business	1
Item 5 Fees and Compensation	2
Item 6 Performance Based Fees.....	3
Item 7 Types of Clients	3
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss	3
Item 9 Disciplinary Information	3
Item 10 Other Financial Industry Activities and Affiliations	3
Item 11 Code of Ethics, Participation or Interest in Client Transactions & Personal Trading	4
Item 12 Brokerage Practices	4
Item 13 Review of Accounts	4
Item 14 Client Referrals and Other Compensation	5
Item 15 Custody	5
Item 16 Investment Discretion	5
Item 17 Voting Client Securities	5
Item 18 Financial Information	5
Brochure Supplement	6

Form ADV Part 2A

Item 4 Advisory Business

Firm Background

ATON Financial Management, LLC (“ATON Financial Management”) is a credit union service organization, or CUSO, which is wholly-owned by Mid-Atlantic Corporate Federal Credit Union (“Mid-Atlantic Credit Union”). Founded in 2013, ATON Financial Management offers clients (primarily federal and state-chartered credit unions) non-discretionary investment advisory services. The firm is registered with the Securities and Exchange Commission (“SEC”) as an investment advisor and the State of Pennsylvania.

Mid-Atlantic Credit Union is a federally chartered corporate credit union formed on March 23, 1976, and is regulated by the National Credit Union Administration (“NCUA”). ATON Financial Management was formed as a wholly-owned subsidiary of Mid-Atlantic Credit Union on October 18, 2013. ATON Financial Management provides discretionary investment advisory services to Mid-Atlantic Credit Union

The following is a listing of key control individuals on ATON Financial Management’s management team

- Bruce Six, Chief Executive Officer & Chief Compliance Officer
- Timothy Sustak, President
- Ryan Brockman, VP – Asset Liability Management (“ALM”) and Strategic Planning

Types of Advisory Services

ATON Financial Management offers credit unions a suite of services on an à la carte basis, including non-discretionary investment advisory services, bond accounting, broker due diligence, ALM, and strategic planning services. ATON Financial Management offers these services to credit unions that are looking to contract with a third party to advise them regarding balance sheet and portfolio management. Certain of the services offered by ATON Financial Management, when purchased separately, do not constitute investment advisory services. ATON Financial Management’s various advisory services and related fee schedules and billing practices are described herein.

ATON provides, on a non-discretionary basis, advice to clients on investment options to assist with management of excess deposit balances held for liquidity purposes or until such funds can be loaned to customers. ATON does not provide discretionary investment advisory services to any clients other than its affiliate, Mid-Atlantic Credit Union.

Item 5 Fees and Compensation

The following provides an overview of the fees charged by ATON Financial Management for the non-discretionary investment advisory services. All fees are reviewed, and if applicable, adjusted annually. Any variance to the fee schedule must be agreed to by ATON Financial Management and the client. ATON Financial Management does not accept payment of fees in advance and/or retainers from clients for its investment advisory service.

Non-Discretionary Investment Advisory Services

ATON Financial Management's services are provided on a flat-fee basis, regardless of the size of the client's portfolio.

ATON Financial Management charges, on an annual basis, \$25,000 for investment advisory services that include advice regarding collateralized mortgage obligations ("CMOs"), and \$20,000 for investment advisory services that do not include advice regarding CMOs.

These fees include charges for investment advisory services only, and do not include fees for other services offered by ATON Financial Management. ATON Financial Management's advisory fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses that are incurred by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as fees charged by custodial fees, wire transfer fees, and other fees on securities transactions.

ATON Financial Management reserves the right to modify the fee schedule set forth below depending on the size and nature of the client, the services provided and/or other factors. ATON Financial Management also reserves the right to provide discounts to this fee schedule and to aggregate accounts for the purposes of applying the fee schedule.

Fee Billing Schedule and Payment Due Date

The specific manner in which fees are charged by ATON Financial Management is established in a client's written agreement. ATON Financial Management reserves the right to charge lower fees based upon negotiations with the client. Fees are reviewed at least annually.

ATON Financial Management will generally bill its fees on a monthly basis. Generally, clients are billed in arrears. Accounts initiated or terminated during a calendar month will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Fees are billed on the first business day of the month following the month in which the service is provided. Payments are due by the last day of the month in which the billing occurred. If the last day of the month is a holiday, Saturday or Sunday, payments are due the next business day.

Discretionary Investment Advisory Services

ATON Financial Management provides discretionary investment advisory services to Mid-Atlantic Credit Union at a specially negotiated rate.

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

This item is not applicable to the services provided by ATON Financial Management.

Item 7 Types of Clients

ATON Financial Management's clients are primarily privately-insured state-chartered credit unions and federally-insured, federal- and state-chartered credit unions.

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

ATON Financial Management provides non-discretionary investment advisory services to clients, and discretionary investment advisory services to its affiliate, Mid-Atlantic Credit Union, regarding the investment instruments permitted by the NCUA's Rules and Regulations Part 703 and Part 704, as applicable, for federal credit unions, as such Rules and Regulations may be amended from time to time. Investment instruments for state-chartered credit unions are governed by state credit union rules and regulations. As with all investment instruments, these securities are all subject to varying degrees of credit, interest rate, opportunity and liquidity risks.

In addition to the securities listed above, ATON Financial Management provides advice regarding CMOs, a type of mortgage-backed security. CMOs are frequently highly sensitive to changes in interest rates, which can cause prepayment of the mortgages underlying the securities, and are subject to significant market and liquidity risks.

Item 9 Disciplinary Information

ATON Financial Management is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of ATON Financial Management or the integrity of its management. ATON Financial Management has no information applicable to this Item.

Item 10 Other Financial Industry Activities and Affiliations

ATON Financial Management is a Pennsylvania limited liability company that is wholly-owned by Mid-Atlantic Credit Union. ATON Financial Management is also considered to be a credit union service organization for the purposes of the NCUA Rules and Regulations Part 704.

ATON Financial Management provides discretionary investment advisory services to Mid-Atlantic Credit Union. When a particular security is being recommended to an advisory client other than Mid-Atlantic Credit Union, and the security is held or is being considered by Mid-Atlantic Credit Union, the client will be so advised to avoid any conflict of interest, loyalties and responsibilities in these transactions.

The client is advised about the relationship between ATON Financial Management and Mid-Atlantic Credit Union in the client agreement executed between ATON Financial Management and the advisory client.

Being registered as an investment adviser with the SEC does not imply that ATON Financial Management has completed or achieved a certain level of skill or training.

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

Mid-Atlantic Credit Union and its wholly owned subsidiaries, including ATON Financial Management, provide a business ethics policy that each employee receives in the institution's Employee Handbook. In addition, CFA charterholders also sign a Code of Conduct each year, which includes all CFA charterholders associated with ATON Financial Management. Furthermore, ATON Financial Management maintains detailed Investment Advisory Written Supervisory Procedures (WSP) that all ATON Financial Management employees have received and have executed written acknowledgements regarding compliance to the firm's policies, guidelines and practices. The WSP details comprehensive practices and prohibited activities regarding the Code of Ethics and the personal securities transactions of associated persons.

Item 12 Brokerage Practices

ATON Financial Management does not select a broker-dealer for investment advisory clients, with the exception of Mid-Atlantic Credit Union. ATON Financial Management may provide a list of broker-dealers to clients upon request; however, the choice to retain a particular broker is the client's, and ATON Financial Management receives no compensation in connection with such referrals. The client maintains sole discretion for the broker-dealer when making investment decisions. ATON Financial Management does not maintain soft-dollar relationships with any third party broker/dealer firms to receive research or other products or services in return for referrals or directed transactions.

Item 13 Review of Accounts

In connection with non-discretionary investment advisory services, accounts are reviewed on a regular basis. Reviews are performed in the context of each client's stated investment objectives and guidelines. Clients receive statements and confirmations of transactions from their broker-dealers. We do not produce any periodic reports for clients.

Item 14 Client Referrals and Other Compensation

ATON Financial Management may reimburse Mid-Atlantic Credit Union for human resources, information technology, and accounting support, as well as office space rental. This compensation is not tied to specific transactions or clients. The reimbursement is tied to pre-agreed levels of support provided by Mid-Atlantic Credit Union staff to the ongoing operations of ATON Financial Management.

If a client is introduced to us by a solicitor or other investment advisor, we may pay a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisors Act of 1940 and the rules set forth by the respective state jurisdictions. Any such referral fee shall be paid solely from our investment management fee, and shall not result in any additional charge to the client. These fees will be paid only to qualified and properly licensed investment advisors, investment adviser representatives, solicitors and registered representatives of a broker-dealer. If the client is introduced to us by another investment advisor or solicitor, they shall provide the client with a copy of our disclosure document, applicable schedules and a copy of the disclosure statement between us and the referring agent containing the items and conditions of the solicitation arrangement, including compensation.

Item 15 Custody

ATON Financial Management does not have direct custody of advisory client funds or securities. ATON will not accept custody of any client assets under our advisory agreements. However, because of the affiliate relationship with Mid-Atlantic, ATON is deemed to have custody of the assets of its affiliate. Clients should be aware that you should always receive an account statement, at least quarterly, from your independent custodian. You should be sure to carefully review those statements and in the event of any discrepancy or question, contact us or your custodian immediately.

Item 16 Investment Discretion

ATON Financial Management does not accept discretionary authority to manage securities accounts on behalf of clients other than its affiliate, Mid-Atlantic Credit Union. As non-discretionary accounts, all recommendations are submitted to the client for their consideration and determination to execute based on a recommendation of ATON Financial Management.

Item 17 Voting Client Securities

ATON Financial Management does not provide advice on equity securities and therefore does not vote proxies for any advisory clients. If the Client has questions about proxy voting matters, each is instructed to contact their representative at ATON Financial Management.

Item 18 Financial Information

A firm is required in this Item to provide certain financial information or disclosures if it requires or solicits prepayment of more than \$1,200 in fees per client, six months or more in advance. ATON Financial Management does not solicit or accept the prepayment of fees associated with investment advisory services.

Form ADV Part 2B Brochure Supplement

This brochure supplement provides information about Bruce Six and Timothy Sustak that supplements the ATON Financial Management brochure. You should have received a copy of that brochure. Please contact Bruce Six, Chief Executive Officer, at 717-985-3300. Email inquiries may be sent to bsix@midatlanticcorp.org if you did not receive ATON Financial Management's brochure or if you have any questions about the contents of this supplement.

Additional information about Bruce Six and Timothy Sustak is available on the SEC's website at www.adviserinfo.sec.gov.

ATON Financial Management requires those individuals involved in determining or giving investment advice to clients to have the appropriate educational background such as a degree in finance, accounting, economics or management. Additionally, a minimum of two years' work experience in a financial institution as an investment adviser or similar experience in funds management, portfolio management or asset/liability management is required. Certain educational requirements can be substituted if an individual has more than ten years work experience in a related field.

The following information is provided for individuals who supervise and/or those that formulate investment advice for a client and have direct client contact.

Bruce A. Six, age 46

Item 2 Educational Background and Business Experience

Educational Background

Master of Business Administration

Kutztown University of Pennsylvania

Major: Management (Cum Laude Graduate)

Bachelor of Science in Business Administration

Shippensburg University of Pennsylvania

Major: Finance

Business Experience

Senior Vice President - Chief Investment Officer 2008 – Present

Mid-Atlantic Corporate Federal Credit Union, Middletown, PA

Lecturer – Harrisburg Area Community College 1999 – Present

Harrisburg Area Community College, Harrisburg, PA

Adjunct Professor teaching Finance and Management Courses

Item 3 Disciplinary Information

None.

Item 4 Other Business Activities

In addition to serving as Chief Executive Officer of ATON Financial Management, Mr. Six is the Senior Vice President and Chief Investment Officer of Aton Financial Management's parent company, Mid-Atlantic Corporate Federal Credit Union. Mid-Atlantic Corporate Federal Credit Union is also a client of ATON Financial Management.

Item 5 Additional Compensation

None.

Item 6 Supervision

Mr. Six directly supervises Mr. Sustak.

Timothy J. Sustak, age 44

Item 2 Educational Background and Business Experience

Educational Background

Master of Business Administration

Lebanon Valley College (May 2006)

Bachelor of Science (*summa cum laude*)

The Pennsylvania State University (December 1992, Harrisburg Campus)

Dual Major: Finance/Management

Business Experience

Director, Investments March 2011 – Present

Mid-Atlantic Corporate Federal Credit Union, Middletown, PA

AVP, Financial Analysis / Director, Accounting September 2006 – Feb. 2011

Mid-Atlantic Corporate Federal Credit Union, Middletown, PA

Item 3 Disciplinary Information

None.

Item 4 Other Business Activities

Mr. Sustak does not have any other business activities.

Item 5 Additional Compensation

None.

Item 6 Supervision

Mr. Sustak does not supervise others.

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