

Part 2A of Form ADV: Firm Brochure

Item 1 Cover Page



336 S. Congress, Suite 200
Austin, TX 78704
IARD#22333
(512)472-7171
<http://thornhillsecurities.com/>

This brochure provides information about the qualifications and business practices of Thornhill Securities, Inc. It is prepared pursuant to regulatory requirements. If you have any questions about the contents of this brochure, please contact us at the phone number or website listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Thornhill Securities, Inc. is a registered investment adviser with the SEC under the Investment Advisers Act of 1940 (the "Advisers Act"). However, such registration does not imply a certain level of skill or training. Additional information about Thornhill Securities, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

Dated: March 20, 2012

Item 2 Material Changes

This Form ADV, Part 2, also known as the “Brochure”, requires disclosure on distinct topics, and answers must be presented in the order of the items in the form, using the headings in the form. We urge you to carefully review all subsequent summaries of material changes, as they will contain important information about any significant changes to our advisory services, fee structure, business practices, conflicts of interest, and disciplinary history.

After the initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Summary of Material Changes:

Item 4- Updated Assets Under Management.

Item 3 Table of Contents

Part 2A of Form ADV: Firm Brochure	1
Item 1 Cover Page	1
Item 2 Material Changes	2
Item 3 Table of Contents	3
Item 4 Advisory Business	4
Item 5 Fees and Compensation	6
Item 6 Performance-Based Fees and Side-By-Side Management	7
Item 7 Types of Clients	8
Item 8 Methods of Analysis Investment Strategies and Risk of Loss	8
Item 9 Disciplinary Information	11
Item 10 Other Financial Industry Activities and Affiliations	11
Item 11 Code of Ethics Participation or Interest in Client Transactions & Personal Trading	12
Item 12 Brokerage Practices	12
Item 13 Review of Accounts	14
Item 14 Client Referrals and Other Compensation	14
Item 15 Custody	14
Item 16 Investment Discretion	15
Item 17 Voting Client Securities	15
Item 18 Financial Information	15
Item 19 Requirements for State Registered Advisers	15

Item 4 Advisory Business

INTRODUCTION

Thornhill Securities, Inc. is a Registered Investment Advisory firm registered with the U.S. Securities and Exchange Commission (SEC) since November 6, 2009. We are noticed filed in New Jersey and our home state of Texas which means we are registered to do business in these states. We may conduct business in other states by claiming an exemption from registration. Our registration as an Investment Adviser does not imply any level of skill or training. The oral and written communications we provide you, including this Brochure, is information you can use to evaluate us and other advisers, which are factors in your decision to hire us or to continue to maintain a mutually beneficial relationship. This Brochure provides information about our qualifications and business practices.

OWNERSHIP

Thornhill Securities, Inc. is a privately owned corporation headquartered in Austin, Texas. Austin Trust Company and Felder Thornhill founded Thornhill Securities, Inc. on March 30, 1988 and are the sole owners of the business.

ADVISORY SERVICES OFFERED

We manage accounts on a discretionary basis and non-discretionary basis. We provide investment management services and financial planning services to individuals, banks or thrift institutions, pension and profit sharing plans, trusts, estates and corporations. We also assist you with the selection of money managers appropriate for the management of your portfolio. We may also provide investment advice on interests in partnerships.

Our service constitutes an ongoing process by which:

- a) Your investment objectives, constraints and preferences are identified and specified;
- b) Your strategies are developed and implemented through a combination of financial assets;
- c) Capital market conditions and your circumstances are monitored; and
- d) Portfolio adjustments are made as appropriate to reflect significant changes to any or all of the above relevant variables.

The following is a detailed description of the programs offered by us.

PORTFOLIO MANAGEMENT SERVICES:

We provide portfolio management services on either a discretionary or non- discretionary basis. Our portfolio management service consists of asset allocation and portfolio management tailored to meet your investment goals. The services typically include investment strategies in equity and fixed income securities, mutual funds, fund of funds, options, other hedging strategies or a balance of these investments.

On a discretionary basis, we design, revise and reallocate a custom portfolio for you. The investments are determined based upon your investment objectives, risk tolerance, net worth, net income, age, investment time horizon, tax situation and other various suitability factors.

On a non-discretionary basis, we provide periodic recommendations to you and if such recommendations are approved, we will ensure that the authorized recommendations are carried out.

We will evaluate your financial situation through a review of financial information and personal interviews that include understanding your investment objectives and risk tolerances. We will advise you regarding portfolio diversification utilizing common or preferred stocks, options, mutual funds, warrants, rights, corporate municipal or government bonds, notes or bills, options and futures contracts, partnership interests, and cash or cash equivalents.

Custody of your accounts for both securities and funds will be maintained at Pershing, LLC, (Member FINRA/SIPC) the designated custodian and clearing firm for Thornhill Securities, Inc. (Member FINRA/SIPC) or other qualified custodian selected by you or our Firm. On occasion we may also use

Charles Schwab & Co., Inc., (Member FINRA/SIPC), or other as the broker-dealer for the execution of securities transactions. Custody of your accounts for both securities and funds will be maintained at Charles Schwab & Co., Inc.

We do not sponsor or act as a portfolio manager for any wrap fee programs.

FINANCIAL PLANNING SERVICES:

We provide a comprehensive financial planning service. Independent, objective analysis of personal and business finances based on extensive financial information furnished by you (trust agreements, business agreements, retirement programs, financial statements, tax returns, investment portfolio) may be offered. A formal written plan is provided which includes a risk analysis and profile, investment objectives, in-depth goal review, budget preparation, Insurance analysis and review and other in-depth analysis.

Implementation of the prepared plan or recommendations is solely at your discretion and you will also determine how you want to implement the plan or recommendations. We encourage you to utilize any desired professional or group of professionals to assist in the implementation.

CONSULTING SERVICES:

You can also receive investment advice on a more limited basis. This may include advice on only an isolated area(s) of concern such as estate planning, retirement planning, or any other specific topic. We provide specific consultation services regarding your current or projected financial position or other investment and financial concerns that you may have.

ASSETS UNDER MANAGEMENT:

As of December 31, 2011, Thornhill Securities, Inc. has approximately \$60,000,000 in discretionary assets under management and \$8,000,000 in non-discretionary assets under management for a total of \$68,000,000 in total assets.

Item 5 Fees and Compensation

PORTFOLIO MANAGEMENT PROGRAM FEE SCHEDULE:

Managed Equity Program

<u>Assets Under Management</u>	<u>Annualized Fee</u>
Less than \$500,000	1.25%
\$500,000-\$1,000,000	1.00%
Over \$1,000,000	0.75%

Managed Fixed income Program

<u>Assets Under Management</u>	<u>Annualized Fee</u>
First \$500,000	0.75%
Over \$501,000	0.50%

We may charge a \$25.00 per ticket charge up to 500 shares or for Fixed Income Securities and \$.05 per share above 500 shares.

Our account minimums and fees charged are negotiable in situations where your portfolio size begins outside our published fee brackets or in other situations deemed appropriate by us in our sole discretion.

Portfolio Management fees will be billed in one of two ways:

- (1) Fees will be directly deducted from your account at the custodian quarterly in advanced or in arrears, as negotiated with you, from your accounts within thirty (30) days following the end of the quarter. We will send the qualified custodian written notice of the amount of the fee to be deducted from your account.

We and/or the custodian shall provide written notice/invoice documentation reasonably supporting the determination of the investment advisor fees. The Custodian will send to you a quarterly Account statement that shows the amount of our advisory fee, the value of your assets upon which the fee was based, and the specific manner in which the fee was calculated. We will verify that the Custodian sends Account statements on a quarterly basis.

You should compare invoices for advisory fees to the corresponding custodian statement. Statements should be received from the custodian no less than quarterly. If statements are not received, contact us immediately.

- (2) Fees will be directly invoiced on a quarterly in advanced or in arrears, as negotiated with you, within (30) days following the end of the quarter.

Our fees are based on the percentages listed in the Fee Schedule on account market values based on the last business day of each calendar quarter. Fees are calculated by multiplying the assets under management market value by the relevant percent and dividing such product by four (4). Fees for the initial quarter will be adjusted pro-rata based upon the number of calendar days in the calendar quarter that the Agreement goes into effect.

Additional Types of Fees or Expenses:

Portfolio Management fees do not include cost of custodial services for individual retirement accounts for qualified retirement plans. Transaction costs are not commissions. They are clearing costs charged by the designated clearing firm on the account. We may elect at our option to bear the cost of transactions under certain circumstances. Additional fees may be incurred while the funds are in a money market fund or other no-load fund. These fees are charged and collected by the mutual funds and are not refundable to Client.

Termination:

The term of the agreement will be continuous until terminated by either party upon giving written 30 days advanced notice to the other party. Fees will not be refundable unless we have made a mistake in billing. Refunds can be requested within one year on any mistake and will be paid immediately.

FINANCIAL PLANNING SERVICES FEE SCHEDULE:

Fees for the preparation of a financial plan are based upon a one-time fee for new plans of \$1,500 or subsequent update or annual revisions of \$500. After the initial consultation, the planning fee will be quoted to you for services to be provided. Fees are negotiable depending upon your facts and circumstances and at our sole discretion. These services will be invoiced, as charges are incurred and payable within 30 days of the invoice.

Termination:

The term of the agreement will be continuous until terminated by either party upon giving written 30 days advanced notice to the other party. Refunds would be determined on a case by case basis and would be dependent on the amount of time spent in the data gathering function and writing of the financial plan.

CONSULTING FEE SCHEDULE:

Our stand alone, non-process based consultation services including and not necessarily limited to portfolio review, investment policy development, and investment due diligence will be billed on a progress basis and at hourly rates not in excess of \$150 per hour which is appropriately determined and sufficiently flexible in the arrangement to best suit your needs. Fees are negotiable depending upon your facts and circumstances and at our sole discretion.

Termination:

These services will be invoiced at time of service and payable within 30 days of the invoice. No refunds will be paid since the service has been completed at the time of the invoicing.

ERISA Accounts, Profit Sharing 401(k), SEP's:

We may also have other retirement accounts which are subject to ERISA rules and regulations. In all cases an "eligible investment advice arrangement" or advisory agreement will be executed with the Client. We will be considered a "fiduciary advisor" and will charge fees to the retirement account.

Other Compensation Received by our firm or its advisory agents:

Thornhill Securities, Inc., (Member FINRA/SIPC) is a registered broker-dealer as well as a SEC registered investment advisory firm. Custody of your accounts for both securities and funds will be maintained at Pershing, LLC the designated custodian and clearing firm for Thornhill Securities, Inc. Some of our Advisory Agents are also registered representatives of Thornhill Securities, Inc. In this capacity, our advisory agents may sell securities through Thornhill Securities, Inc. and receive normal and customary commissions, 12b1 fees and other compensation as a result of such purchases and sales. This presents a conflict of interest to the extent that the advisory agent recommends that you invest in a security which results in a commission being paid to the advisory agent. Neither our Firm nor its advisory agents are affiliates of Pershing, LLC.

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

We do not charge performance based fees nor do we provide side by side management services.

Item 7 Types of Clients

Client Base:

Our customer base may consist of individuals, banks or thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities. These are the types of clients that we service, but we may not have all these types as current clients at any one time.

Conditions for Account Management:

We have no imposed minimum account size to be managed by us.

Item 8 Methods of Analysis Investment Strategies and Risk of Loss

Methods of Analysis & Investment Strategies:

We work with you to devise an investment strategy to meet your financial objectives. This includes:

- discussion regarding your objectives
- review of existing holdings
- ongoing analysis of funds
- advice on best direction for new investments
- updates of specific changes within the market or to particular funds
- periodic monitoring of recommended investments and yearly review

The flexibility of our strategies gives us the ability to best manage investment risks in any investment market.

We use Technical and Fundamental compiled by data services. We may use other sources of information that may include, but are not limited to, other professionals in the area of financial planning as well as information obtained through presentations given by professional associations and other sources.

Fundamental Analysis involves using real data to evaluate a security's value. We perform fundamental analysis on a securities value by looking at economic factors, such as interest rates and the overall state of the economy, information about issuers, potential changes in credit ratings, revenues, earnings, future growth, return on equity, profit margins and other data to determine underlying value and potential for future growth.

Technical Analysis involves studying supply and demand in the market to determine what direction, or trend will continue in the future by understanding the emotions in the market as opposed to its components. Understanding the benefits and limitations of technical analysis can give a new set of tools or skills that will enable us to be a better trader or investor.

Our security analysis information is based on a number of sources including financial newspapers, periodicals, commercially available investment services, issuer prepared information, security rating services, general market and financial information, due diligence reviews and specific investment analysis that our clients may request.

Risk of Loss:

The advice offered by our Firm to clients is determined by the areas of expertise of the agent providing the service and the client's stated objective. Our clients are advised to notify our Firm promptly if there are ever any changes in your financial situation or investment objective or if you wish to impose any reasonable restrictions upon our management services. If you wish to impose any reasonable restrictions upon our management services, you will need to advise us in writing of any restrictions.

We do not represent, warrant, or imply that the services or methods of analysis employed by us can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. All securities trading, whether in stocks, options, or other investment vehicles, is speculative in nature and involves substantial risk of loss that clients should be prepared to bear. Past performance is not necessarily indicative of future results. Clients should make every effort to understand the risks involved.

The Principle Risks of Investing include, but are not limited to:

General Risks: Your investments with us are not a deposit of a bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Accordingly, you may lose money by investing with us. When you sell your investments, they may be worth less than what you paid for them because the value of investments will fluctuate reflecting day-to-day changes in market conditions, interest rates and a number of other factors.

Allocation Risk: Our allocation of investments among different asset classes, such as equity or fixed-income assets classes, may have a more significant effect on your returns when one of these classes is performing more poorly than others.

Market Risk: Stock and bond markets often trade in random price patterns, and prices can fall over sustained periods of time. The value of the investments we make for you will fluctuate as the financial markets fluctuate. This could result in your account value(s) declining over short or long term periods of time.

Focused and Concentrated Portfolio Risks: We will often invest your assets in a smaller number of securities than other broadly diversified investment strategies. Our approach is often referred to as "focused, concentrated, or non-diversified". Accordingly, the money we manage for you may have more volatility and is often considered to have more risk than a strategy that invests in a greater number of securities because changes in the value of a single security may have a more significant effect, either negative or positive, on your overall portfolio value. To the extent we invest your assets in fewer securities, or we investment in non-diversified funds that take a focused or concentrated approach, your assets are subject to greater risk of loss if any of those securities become permanently impaired.

Equity Risk: Your investments will be subjected to the risk that stock prices may fall over short or extended periods of time. Historically, the equity markets have moved in cycles, and the value of equity securities in your portfolio may fluctuate drastically from day to day. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies may suffer a decline in response. These factors will contribute to the volatility and risk of your assets.

Special Situation Risk: We may invest your assets in special situations. Investments in special situations may involve greater risks when compared to other strategies due to a variety of factors.

Expected changes may not occur, or transactions may take longer than originally anticipated, resulting in lower returns than contemplated at the time of investment. Additionally, failure to anticipate changes in the circumstances affecting these types of investments may result in permanent loss of capital, where we may be unable to recoup some or all of its investment.

Foreign Securities Risk: We have the ability to invest in foreign securities, and, from time to time, a significant percentage of your assets may be composed of foreign investments. Foreign investments involve greater risk in comparison to domestic investments because foreign companies/securities: may have different auditing, accounting, and financial reporting standards; may not be subject to the same degree of regulation as U.S. companies, and may have less publicly available information than U.S. companies; and are often denominated in a currency other than the U.S. dollar.

Currency Risk: Your investments may be subject to currency risk. Currency fluctuations and changes in

the exchange rates between foreign currencies and the U.S. dollar could negatively affect the value of your investments in foreign securities.

Interest Rate Risk: Your investments are subject to interest rate risk. Interest rate risk is the risk that the value of a security will decline because of a change in general interest rates. Investments subject to interest rate risk will usually decrease in value when interest rates rise. For example, fixed-income securities with long maturities typically experience a more pronounced change in value when interest rates change.

Credit Risk: Your investments are subject to credit risk. An investments credit quality depends on its ability to pay interest on and repay its debt and other obligations.

Small- to Medium-Capitalization Risk: We may invest your assets in small to medium sized companies. Shares of small to medium sized companies may have more volatile share prices. Furthermore, the securities of small to medium companies often have less market liquidity and their share prices can react with more volatility to changes in the general marketplace.

Junk Bond/High-Yield Security Risk: We may invest your assets in Junk Bonds or High-Yield, lower rated securities. Investments in fixed-income securities that are rated below Investment grade can be subject to greater risk of loss of principal and interest than investments in higher-rated fixed-income securities. The market for high yield securities may be less liquid than the market for higher-rated securities. High yield securities are also generally considered to be subject to greater market risk than higher-rated securities. The capacity of issuers of high yield securities to pay interest and repay principal is more likely to weaken than is that of issuers of higher-rated securities in times of deteriorating economic conditions or rising interest rates.

Prepayment Risk: Your investments may be subject to prepayment risk. Prepayment risk occurs when the issuer of a security can repay principal prior to the security's maturity. Securities subject to prepayment can offer less potential for gains during a declining interest rate environment and similar or greater potential for loss in a rising interest rate environment. In addition, the potential impact of prepayment features on the price of a security can be difficult to predict and result in greater volatility.

Inflation Risk: This is the risk that the value of your assets or income you're your investments will be less in the future as inflation decreases the value of your money. As inflation increases, the value (purchasing power) of your assets can decline. This risk increases as we invest a greater portion of your assets in fixed-income securities with longer maturities.

Liquidity Risk: Liquidity risk exists when particular investments are difficult to purchase or sell, possibly preventing us from selling out of these illiquid securities at an advantageous price.

Item 9 Disciplinary Information

A. Gary Shilling, an advisory agent and registered representative of Thornhill Securities, Inc. has two regulatory disclosure items.

While employed at Heartland Advisors, Inc. in 2003 A. Gary Shilling in connection with the SEC's filings of civil fraud charges against Heartland Advisors, Inc., certain company officials and others related to certain alleged misrepresentations, mispricing and insider trading involving two Heartland High-Yield bond mutual funds. The SEC instituted a separate administrative proceeding against four independent directors of the funds, including A. Gary Shilling. In the proceeding, the SEC alleged that the directors negligently violated (I) Section 17(A) of the Securities Act of 1933, in that they failed to adequately monitor the liquidity of the funds' portfolios, and (II) Section 22(C) and Rule 22C-1, the firms pricing provisions of the investment company Act of 1940, in that they failed to take adequate steps to address the funds' pricing deficiencies. The SEC issued an order accepting an offer of settlement by A. Gary Shilling and other independent directors, without admitting or denying the allegations, all of the independent directors consented to cease and desist from further violations of the securities laws. No further penalties, financial or otherwise, other than the cease and desist order were imposed. In accepting the directors' offer of settlement, the SEC acknowledged in a public statement that it considered the facts that the directors were lied to by the funds' advisor, hired experts to assist them in performing their duties, and engaged in subsequent remedial actions. Mr. Shilling resigned as a director of the Heartland Funds in November of 2003.

While employed at A. Gary Shilling & Co., Inc., Gary A. Shilling issued from Feb. - Sept. 2003 a newsletter. NASD alleges that Gary A. Shilling violated NASD Conduct Rules 2711(G)(3)&2110 in buying/selling securities in manner inconsistent with recommendations, violated NASD Conduct Rules 2711(G)(2)&2110 in selling securities that were subject to the 30 day trading restriction, violated NASD Conduct Rules 2711(H)(5)&(6)&2110 by failing to provide distribution of ratings and price chart information, and violated NASD Conduct Rules 2711(I) AND 2110 by failing to adopt and implement written supervisory procedures designed to ensure compliance with Conduct Rule 2711. A. Gary Shilling was fined \$30,000 and was censured and fined joint and severally an additional \$15,000 fine.

Your confidence and trust placed in our Firm and its advisory agents is something we value and endeavor to protect and we want to answer any questions that you may have on the disclosures presented.

Item 10 Other Financial Industry Activities and Affiliations

Related Relationships;

Dual Registration of Thornhill Securities, Inc.:

Thornhill Securities, Inc., Member FINRA/SIPC is a registered broker-dealer as well as a SEC registered investment advisory firm. Custody of your accounts for both securities and funds will be maintained at Pershing, LLC the designated custodian and clearing firm for Thornhill Securities, Inc. (Member FINRA/SIPC), Our advisory agents are also registered representatives of Thornhill Securities, Inc. In this capacity, our advisory agents may sell securities through Thornhill Securities, Inc. and receive normal and customary commissions, 12b1 fees and other compensation as a result of such purchases and sales. This presents a conflict of interest to the extent that the advisory agent recommends that you invest in a security which results in a commission being paid to the advisory agent. Neither our Firm nor its advisory agents are affiliates of Pershing, LLC.

Austin Trust Relationship:

Austin Trust Company is the parent company of Thornhill Securities, Inc. and the first private trust company to be chartered by the Texas Department of Banking. It is the only locally owned and controlled institution that offers a full range of fiduciary services.

Non-Related Relationships:**Investment Advisor:**

We have an arrangement with Modern Portfolio Management, Inc., an SEC registered Investment Advisor, to provide periodic portfolio performance reports, account billing and trade order management. Neither our Firm nor its advisory agents are affiliates of Modern Portfolio Management, Inc.

Broker Dealer:

On occasion we may also use Charles Schwab & Co., Inc., (Member FINRA/SIPC), or other as the broker-dealer for the execution of securities transactions. Custody of your accounts for both securities and funds will be maintained at Charles Schwab & Co., Inc. Neither our Firm nor its advisory agents are affiliates of Charles Schwab & Co., Inc.

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

We have adopted a Code of Ethics Policy to prohibit conflicts of interest from personal trading by our advisory personnel and have established standards of conduct expected of our advisory personnel. We have set forth in the Code of Ethics Policy statements of general principles, required course of conduct, reporting obligations, and review and enforcement of the Code of Ethics Policy. We will provide a copy of the Code of Ethics Policy to our clients or prospective client's upon written request.

Participation or Interest in Client Transactions / Personal Trading:

Our advisory agents are also registered securities representatives of Thornhill Securities, Inc., (Member FINRA/SIPC), a dual registered broker-dealer and SEC registered investment advisory firm. The advisory agents will receive commissions, 12b1 fees and other compensation from Thornhill Securities, Inc. in connection with security transactions effected for the accounts the advisory agents manage for our firm. Therefore there is a financial incentive to use Thornhill Securities, Inc. to effect security transactions for your accounts.

Our Advisory Agents will buy or sell for themselves securities that they also recommend to you. These investment products will be bought and sold on the same basis as you buy them. We will transact your transactions and business before their own when similar securities are being bought or sold. In all instances, the positions would be so small as to have no impact on the pricing or performance of the security. We will do everything possible to mitigate these conflicts. Records of all advisory associate's proprietary trading activities are reviewed and kept by us. We and our advisory agents will act in a fiduciary manner, understand the prohibitions against the use of any insider information and will always act in your best interest.

Item 12 Brokerage Practices**Brokerage Selection:**

Our firm may be granted discretionary authority over your account(s) to determine the securities to be bought or sold, their amounts, and the broker to be used without specific consultation with you as deemed to be in your best interest and to achieve your stated investment objectives.

We generally recommend and select the brokers or dealers to handle securities transactions. We utilize Thornhill Securities, Inc. (Member FINRA/SIPC), as the broker-dealer for the execution of securities transactions.

Custody of your accounts for both securities and funds will be maintained at Pershing, LLC the designated custodian and clearing firm for Thornhill Securities, Inc. On occasion we may also use Charles Schwab & Co., Inc., (Member FINRA/SIPC), as the broker-dealer for the execution of securities transactions. Custody of your accounts for both securities and funds will be maintained at Charles Schwab & Co., Inc.

You are not obligated to transact business through Thornhill Securities, Inc. or Charles Schwab & Co., Inc.

Factors which we consider when recommending Thornhill Securities, Inc., Pershing, LLC or Charles Schwab & Co., Inc. include their respective financial strength, reputation, execution, pricing, research and service. We understand and acknowledge that at all times we owe a fiduciary duty to you to obtain best execution for your transactions. We believe that our relationships with Thornhill Securities, Inc., Pershing, LLC or Charles Schwab & Co., Inc. helps us to execute securities transactions for you in such a manner that your total cost in each transaction is as favorable as possible under prevailing market conditions. However, accounts with Thornhill Securities, Inc., Pershing, LLC or Charles Schwab & Co., Inc., as a full service broker/dealers, may not obtain best execution at all times. The commissions and/or transactional fees charged by Thornhill Securities, Inc., Pershing, LCL or Charles Schwab & Co., Inc. to you may be higher or lower than those charged by another broker-dealer.

It is our policy to select brokers on the basis of the best combination of cost and execution capability. Subject to its best execution obligations, we intend to use the broker-dealer to effect all or substantially all client securities transactions. We may develop other broker-dealer arrangements with other unaffiliated broker-dealer firm's at our discretion.

Research and other Soft Dollar Benefits:

Trades may be done with brokers who are selected on the basis of research products or services. These may be used for the benefit of all clients and are not necessarily used exclusively by the account for which the transaction was made. The types of products and services include written and oral reports concerning current or prospective portfolio holdings, economic interpretations, and portfolio strategy. You are not charged for these services and the information received may be used to benefit all clients of our Firm.

Due to the relationship of the dually registered advisory agents and principals of our firm most trades are directed to Thornhill Securities, Inc. Although commission costs may be lower through other broker-dealers' we believe that by directing trades through Thornhill Securities, Inc. overall costs to you are lower by minimizing the bid/ask spreads and decreasing the risk of slippage. We have no soft dollar arrangements.

Brokerage for Client Referrals:

Neither our Firm nor our Advisory Agents receive client referrals from a broker dealer or other third party when recommending to you a broker-dealer for the execution of securities transactions.

Directed Brokerage:

If you want to direct us to use a particular broker dealer to handle security transactions then you are responsible for the custodian fee arrangement. You should understand that this might prevent us from effectively negotiating brokerage compensation or obtaining the most favorable net price and execution. When directing brokerage business, you should consider whether the commission expenses, execution, clearance and settlement capabilities that you will obtain through another broker dealer are adequately favorable in comparison to those that our Firm would otherwise obtain for you using Thornhill Securities, Inc., Pershing, LLC or Charles Schwab & Co., Inc. We do evaluate periodically the execution performance of the brokers-dealers including Thornhill Securities, Inc. or Charles Schwab & Co., Inc. We encourage you to discuss available alternatives with our advisory agents.

Neither this Firm nor our advisory agents receive any products, research or services other than those disclosed.

Trade Aggregation:

We provide investment management services to various clients. We may, in our sole discretion, aggregate purchases or sales of any security, instrument or obligation effected for various client accounts with purchases or sales, as the case may be, of the same security, instrument or obligation effected on the same day for the accounts of one or more of our other clients. Although such concurrent aggregations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they

will be effected only when we believe that to do so will be in the best interest of the affected accounts. When transactions are so aggregated, (a) the actual prices applicable to the aggregated transaction will be averaged, and each client account participating in the aggregated transaction will be deemed to have purchased or sold its share of the security, instrument or obligation involved at that average price and (b) all transaction costs incurred in effecting the aggregated transaction, except to the extent that certain broker-dealers that also furnish custody services may impose minimum transaction charges applicable to some of the participating accounts. When such concurrent aggregation occurs, the objective will be to allocate executions in a manner that is deemed equitable to the accounts involved.

Item 13 Review of Accounts

Account reviews will be provided on a quarterly basis, but at a minimum shall be reviewed annually or by your request. Reviews may be warranted more frequently due to tax law changes, market changes, market conditions or changes in personal circumstances. Reviews initiated by you may be for personal objectives or for any reason you so desire. The accounts are reviewed for including, but not limited to, continued suitability, comfort level, risk tolerance relative to returns, and appropriateness. The reviews will be conducted by Gabriel F. Thornhill, IV, President and Chief Compliance Officer.

Statements, confirmations and/or performance reports are furnished monthly or quarterly from various financial services institutions/firms with which you transact business. These firms may include, and are not limited to, brokerages, investment companies, insurance companies, trust companies, other registered investment advisors, banks and credit unions. You will receive account statements from these entities and not our Firm. The monthly account statements from the custodian indicate activity, previous portfolio balances, current portfolio balances, and account summary. We may also assist you in interpreting and/or compiling statements or reports and transferring relevant information onto the appropriate place on your financial statements as part of our review process.

If we provide you only financial planning or analysis services, you will not receive regular reports on your accounts after the financial planning or analysis services have been concluded.

Item 14 Client Referrals and Other Compensation

Client Referrals:

We do not have any arrangements for client referrals.

Other Compensation:

No other compensation is received other than what is already disclosed.

Item 15 Custody

Your funds and securities will be maintained with a “qualified custodian” as required under Rule 206(4)-2 under the Advisers Act and we will not take physical possession of any client funds or securities. Custody of client accounts for both securities and funds will be maintained at Pershing, LLC, (Member FINRA/SIPC) the designated custodian and clearing firm for Thornhill Securities, Inc., (Member FINRA/SIPC). On occasion we may also use Charles Schwab & Co., Inc., (Member FINRA/SIPC), as the broker-dealer for the execution of securities transactions. Custody of your accounts for both securities and funds will be maintained at Charles Schwab & Co., Inc.

Account statements are sent quarterly from the custodians and you should carefully review those statements including comparison to any reports we may send to you.

Item 16 Investment Discretion

Unless otherwise negotiated, you have granted our Firm sole and absolute discretion in the management of your portfolio and periodic re-balancing to the asset class target percentages as outlined in the Clients Advisory Agreement except with respect to payment of the Firm's Fees. In the exercise of its authority we are fully authorized and empowered to place orders to brokers, dealers, mutual funds, or other persons with respect to the purchase, sale, exchange, disposition or liquidation of any assets held in your portfolio

We have limited authority to sell or redeem securities holdings in sufficient amounts to pay advisory fees. You may reimburse the portfolio for Advisory Fees paid to us.

Item 17 Voting Client Securities

We do not vote your proxies and have instructed the Custodian to forward all proxy material directly to you. We shall forward to you, or to the Advisor(s) for an employee benefit plan covered by ERISA, unless the plan's trust agreement provides otherwise, any proxy materials we receive that pertain to the Assets in your Account. You can contact our office at 512-472-7171 for any questions about a particular solicitation.

Item 18 Financial Information

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. We do not have any financial condition that is reasonably likely to impair the ability to meet contractual commitments to you.

Item 19 Requirements for State Registered Advisers

Not applicable, we are an SEC registered investment adviser.