



# The THOUGHTFUL INVESTOR

Warren Wall, CFP®, MBA

First Quarter

January-March 2011

## Market Update

Despite the crises around the world, the U.S. stock market recovered nicely from its first correction of 2011. The S&P 500(TR) index closed with its best first quarter performance since 1981. It climbed 5.4%. The Dow jumped 6.4% for its best quarter since 1999!

All this in the face of regime changes in the Middle East; the earthquake, tsunami, nuclear disaster in Japan and emerging market central banks raising interest rates. The market stumbled but did not tumble. The Fed has been ultra-easy with the supply of money and credit! During the March Federal Reserve meeting, they announced that there would be no change in interest rates (currently 0.00-0.25%) for an “extended period of time”. They went on to say...

- The recovery is on a sound footing.

- Overall conditions in the labor market appear to be improving gradually.
- Household spending and business investment in equipment and software continue to expand.
- While investment in real estate is still weak and there has been a sharp run-up in oil prices, inflationary pressures are of a short-term nature and the long-term US inflation outlook is stable.

Add to this outlook that corporate credit and balance sheets are the best in a decade, it seems hard to imagine that this bull market will not continue. According to Bloomberg, corporations have record earnings fueled by the highest profit margins since 1993. Last quarter's market activity per-

fectly illustrates that no one knows what the future holds — even if you could forecast world events, market reactions are unpredictable. What can help is being alert to changing conditions, best revealed in the current market trends and individual fund performance. Currently the market trend indicators we follow continue to show strong momentum and as such Wall & Company managed equity and bond accounts continue to be fully invested.

	1st QTR 2011	2010	2009	2008
DJIA	+6.41	+11.02	+18.82	-33.84
NASDAQ	+4.83	+16.91	+43.89	-40.54
S&P 500	+5.42	+12.78	+23.45	-38.49

Sources: online.wsj.com, bigcharts.com, treasury.gov, treasurydirect.gov – 3/31/11<sup>1, 28, 29, 30</sup> Indices are unmanaged, do not incur fees or expenses, and cannot be invested into directly. These returns do not include dividends.

## Wall & Company Ranked Among the Top by Money Manager Review

We are pleased to report that Wall & Company is once again among the top ranked equity managers by the 2010 Money Manager Review for the ten-year annualized performance of our flagship Global Equity Growth II program — ending 12/31/10. According to MMR, Wall & Co. was ranked #3 out of 42 other Global Equity managed programs they have tracked over the past ten years. Money Manager Review has published performance data on private money managers since 1987. Thousands of individuals, consultants, brokers, investment advisors, plan sponsors, institutions, foundations and chari-

ties use the Review to locate, research, compare, and contact any of 800+ managers offering more than 1,300 products.

“These rankings reinforce the importance of our philosophy that ‘protecting capital’ during the tough times is just as important as ‘making it’ during the good times,” explains Warren Wall, president of Wall & Co. “You have to protect your profits and investments during the tough times.” “Too many investors, and for that matter investment advisors, overlook how hard it is to make up losses. If you are down 50%, you need a 100% gain to get back to breakeven. If you lose 15%, you only

need an 18% gain to get back to your prior account value. A winning investment approach is one that can weather the bad times as well as profit during good times.” “We don’t have a ‘crystal ball’ that helps us beat the markets,” he said. “Our secret to long-term investment success is the belief that investors should not own any stocks during big market declines. Instead, they should

*continued on page 4*

**See details on Wall & Company's new simplified fee schedule on page 4.**

# Will You Run Out of Money?

Financial preparation for retirement has two phases. The first is accumulation. The second is withdrawal. To some degree, withdrawal is going to depend on how much you have accumulated. But even then there is the question, what is a safe rate of withdrawal?

The 4% rule dates back to a 1994 study in the **Journal of Financial Planning**. Based on historical data, the author determined that if a person withdrew 4% from a simple diversified portfolio with a conventional fixed asset allocation, they could increase the amount by the rate of inflation each year and still have some funds left after 30 years. Later, by manipulating the allocations, the author decided that a safe withdrawal rate might be closer to 5%. Other studies have indicated a rate between 5% and 6%.

Back to back bear markets in 2000 and 2008, however, wreaked havoc on retirement plans and transformed safe withdrawal rates into a path to ROOM – Running Out of Money. Clearly, advisers needed to rethink their recommendations.

Ed Easterling with Crestmont Research took a different look at “safe” withdrawal rates and their probability for success by acknowledging that the market delivers returns in “chunks, not streams.” Over the lifetime of an investor, secular bull and secular bear cycles will occur. At what point these cycles occur in the investor’s lifetime, whether during accumulation or withdrawal, has a dramatic impact on the likelihood that a portfolio will last through retirement.

The most significant fact determining future returns, according to Easterling, is the level of valuation at the time of retirement, as measured by the Price/Earnings (P/E) ratio. Low P/E ratios indicate the market has room to move higher, increasing the value of the portfolio. High P/E ratios indicate market tops and the potential for the onset of a secular bear market. To test safe withdrawal levels, he divided his-

## Safe Withdrawal Rate from \$1 Million Stock Market Portfolio\* Withdrawal Plus Inflation: 30-year periods since 1900

Starting P/E Quintiles	Starting P/E Range	4% withdrawal rate			5% withdrawal rate		
		Success Rate	Average Ending \$\$	Avg. Years Before out of \$\$	Success Rate	Average Ending \$\$	Avg. Years Before out of \$\$
Top 20%	18.7	76%	\$2,555,842	27.3	41%	\$(1,141,148)	21.8
2 <sup>nd</sup> 20%	15.1 to 18.6	100%	5,517,179	N/A	75%	1,624,058	22.0
3 <sup>rd</sup> 20%	12.2 to 14.9	100%	7,009,735	N/A	69%	4,421,662	24
4 <sup>th</sup> 20%	10.4 to 12.0	100%	10,779,456	N/A	94%	8,175,391	26.0
Bottom 20%	Below 10.4	100%	9,317,929	N/A	100%	6,889,885	N/A
All periods	14.4 avg.	95%	6,980,717	27.3	75%	3,930,573	22.6

torical performance of the U.S. stock market since 1900 into five quintiles.

- All 30 year periods that started with P/Es of 18.7 or higher
- All 30 year periods with P/Es from 15.1 to 18.6
- All 30 year periods with P/Es from 12.2 to 15.0
- All 30 year periods with P/Es from 10.4 to 12.1
- All 30-year periods with P/Es from 5.3 to 10.3

Then Easterling looked at the probability of success of 4 and 5% withdrawal rates in each of these historical periods. Naturally, returns for each 30-year period are unique, but the use of these quintiles provides a means of viewing the probability of exceeding safe withdrawal levels.\*

### 2011 Is A Second Quintile Year

Standard and Poors has forecast that the S&P 500 PE ratio will fall to just above 16 by the end of 2011, putting the market squarely in the 2<sup>nd</sup> quintile. What does this mean for you as an investor? When P/E started at higher levels historically, the stock market was positioned for below-average returns. That dictates a conservative approach to planning withdrawal levels. You can’t afford to draw down your capital in the early years of retirement.

If you want to be able to withdraw 5% or more to sustain your lifestyle during retirement, you need to pursue a more actively managed portfolio

that seeks higher return investments. Because these investments have higher risk characteristics, active management is essential to seek to control that risk. Remember your goal is to avoid the ROOM...running out of money.

A second caveat with respect to planning safe withdrawal rates is that life happens. We can’t always control financial demands. Included with your financial plan for retirement need to be tools to control the risk of one family member’s circumstances impoverishing the surviving family members, a disaster threatening your financial security, or other potential threats.

### Include Flexibility

Flexibility is as important in retirement as it is in life. While your goal may be to have 4% of your savings available to you each year, it doesn’t hurt to have contingency plans in place. If one year brings higher than anticipated expenses, can you reduce spending next year to make up the difference?

You may find yourself much richer than you anticipated as you near the end of life. There’s no reason not to enjoy those funds rather than keeping locked within your previous safe withdrawal level.

*Interested in exploring what your safe withdrawal level is and how much you might have available to you in retirement. Let’s set up a time to talk!*

*All investments carry risk. There can be no assurance that an active approach to investing will protect a portfolio from loss of capital.*

**PERFORMANCE REPORT**  
**(Total Annualized Returns Net After Maximum Fees)**

<b>Hypothetical Asset Allocations</b>		<b>2011 1st Qtr</b>	<b>1 Year</b>	<b>3 Year</b>	<b>5 Year</b>	<b>7 Year</b>
<b>Aggressive Growth</b>						
100% Stocks	50% Global Growth Program (WGO) 50% Global Growth Program II (WGOII)	4.21%	-1.80%	3.55%	9.63%	11.43%
<b>Capital Growth</b>						
80% Stocks 20% Bonds	20% Bond Allocation Program (BAP) 40% Global Growth Program (WGO) 40% Global Growth Program II (WGOII)	3.77%	-0.64%	3.73%	8.73%	9.92%
<b>Balanced Growth</b>						
60% Stocks 40% Bonds	20% Short-Term Bond Allocation Program (ST-BAP) 20% Bond Allocation Program (BAP) 30% Global Growth Program (WGO) 30% Global Growth Program II (WGOII)	3.06%	0.76%	3.99%	7.82%	8.42%
<b>Conservative</b>						
40% Stocks 60% Bonds	30% Short-Term Bond Allocation Program (ST-BAP) 30% Bond Allocation Program (BAP) 40% Global Growth Program (WGO)	1.66%	-0.05%	3.49%	5.23%	5.37%
<b>Preservation</b>						
20% Stocks 80% Bonds	50% Short-Term Bond Allocation Program (ST-BAP) 30% Bond Allocation Program (BAP) 20% Global Growth Program (WGO)	1.36%	2.23%	4.00%	5.02%	4.52%
<b>MARKET INDICIES</b>						
<b>S&amp;P 500 Composite Index (with Dividends)</b>		5.92%	15.64%	2.33%	2.62%	4.45%
<b>Barclay US Aggregate Bond Index</b>		0.43%	5.14%	5.32%	6.03%	4.78%
<b>Barclay US 1-5 Yr Gov't/Credit Index</b>		0.27%	3.12%	3.71%	5.09%	3.86%

**IMPORTANT DISCLOSURE INFORMATION** Performance results illustrated represents a combination of both "actual" and "hypothetical" historical performance. Performance prior to 2/27/09 represents "hypothetical" performance that illustrate the potential benefit of program changes made in early 2009. Clients should refer to their individual quarterly performance reports for their specific performance history. Past performance may not be indicative of future results. Therefore, no current client or prospective client should assume that future performance will be profitable, or equal to the Wall & Company Inc ("WCI") program performance results reflected or any corresponding market indices. The above is only a generalized or hypothetical presentation of how investors with different risk profiles might allocate between specific WCI investment programs. Specific client recommendations would depend upon a clients unique risk profile, age, income needs, tax bracket and net worth. All performance results reflect the reinvestment of dividends and other account earnings, and are net of applicable account transaction and custody charges. The maximum WCI management fee and any separate fees assessed directly by each unaffiliated mutual fund holding that compromises each portfolio has also been deducted. WCI individual investment program fact sheets detailing performance and disclosures are available upon request. The S&P 500 Composite Index ("S&P") is a market capitalization-weighted index of 500 widely held stocks often used as a proxy for the stock market. The Barclay U.S. Aggregate Bond Index ("AGG") is a market capitalization weighted index of investment grade fixed rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities, with maturities of at least one year. This index is often used as a proxy for the general bond market. The Barclay 1-5 Year Gov't/Credit Index ("1-5G-C") includes US Government and investment grade corporate bonds that have maturities between one and five years. This index is used as a proxy for the short-term bond market. The historical performance results of the S&P, AGG and 1-5G-C do not reflect the deduction of transaction, custody or management fees, the incurrence of would have the effect of decreasing indicated historical the S&P, AGG and 1-5G-C performance results. The historical S&P, AGG and 1-5G-C performance results are provided exclusively for comparison purposes only, so as to provide general comparative information to assist a client or prospective client in determining whether the performance of a WCI portfolio meets, or continues to meet, his or her investment objectives. The S&P, AGG or 1-5G-C indices are not directly tradable investments. It should not be assumed that WCI account holdings will correspond directly to any such comparative indices. **Please note:** Although performance results do reflect deductions for WCI management fees and related custody expenses, the results do not reflect the impact of taxes. WCI investment programs generally involve above-average turnover, which could negatively impact upon gains experienced by an individual client in a taxable account. Specific WCI investment program performance, fees and related disclosures are available upon request.

For reasons including variances in portfolio account holdings, variances in the investment management fee incurred, market fluctuation, the date on which a client engaged

WCI's investment management services, and any account contributions or withdrawals, the performance of a specific WCI client's account may have varied substantially from the indicated composite model portfolio performance results. In addition, the underlying individual mutual funds that has comprised, and will continue to comprise, the model programs are subject to change at the discretion of WCI. Historical information pertaining to the underlying mutual funds and changes thereto is available upon request.

**Hypothetical performance results** were achieved by means of the retroactive application of the model portfolio, and, as such, the corresponding hypothetical results have inherent limitations, including: (1) the model results do not reflect the results of actual trading using participant assets, but were achieved by means of the retroactive application of each of the above referenced models, certain aspects of which may have been designed with the benefit of hindsight; (2) back tested performance may not reflect the impact that any material market or economic factors might have had on the adviser's use of the model if the model had been used during the period to actually manage participant assets; and, (3) for various reasons (including the reasons indicated above), participants may have experienced investment results during the corresponding time periods that were materially different from those portrayed in each model. Hypothetical illustrations do not illustrate the impact of mutual fund short term redemption fees. Mutual funds used in the hypothetical back test may differ from what mutual funds will actually be used in this program. **Actual performance has historically underperformed hypothetical performance illustrations.**

In the event that there has been a change in a client's investment objectives or financial situation, clients are encouraged to advise their financial advisor immediately. Different types of investments and/or investment strategies involve varying levels of risk, and there can be no assurance that any specific investment or investment strategy (including the investments purchased and/or investment strategies devised or undertaken by WCI) will be either suitable or profitable for a client's or prospective client's portfolio. Accordingly, no client or prospective client should assume that the above model portfolios (or any component thereof) serve as the receipt of, or a substitute for, personalized advice from WCI, or from any other investment professional.

**All performance results** have been compiled solely by WCI utilizing the performance results reported by each respective mutual fund and ETF that comprised the portfolio, are unaudited, and have not been independently verified. WCI also maintains all information supporting the performance results in accordance with regulatory requirements.

**Information** pertaining to WCI's advisory operations, services, and fees is set forth in WCI's current Form ADV II, a copy of which is available from WCI upon request. Information pertaining to any mutual fund or variable annuity sub account that is current component of WCI model portfolios are set forth in each respective prospectus, copies of which are available from WCI or directly from the mutual fund or variable annuity company. Some but not all articles are written by Warren Wall. **Report Created 4/5/11**

## Bonds Require Active Management

Many investors consider bonds the “safe” investment. But in considering a bond “safe” you may be failing to manage some very real risks that bond investing presents. These risks are why bonds, like equities, require ongoing oversight and active management.

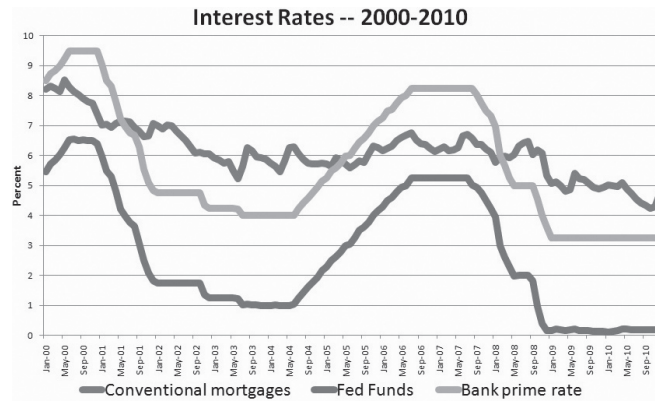
For starters, there is a difference between a bond fund and a bond.

An individual bond is a promise to pay interest over the life of the bond and your principal at maturity. Your have three risks with an individual bond. The first is the risk of default. The second is the risk that you will need your principal prior to maturity and be forced to sell a bond at a loss. The third risk is that when your bond matures, you will be unable to replace it with another bond paying comparable interest.

The value of a bond over its lifetime is directly related to (1) the perceived risk of default and (2) current interest rates. If you purchase a bond during a period when 6% interest rates are the norm, and interest rates subsequently fall, your bond could be worth more than its face value. If interest rates were to go up, the value of your bond, if sold prior to maturity, would fall because an investor could purchase other bonds offering higher returns.

A bond fund is a collection of bonds with differing maturities and interest rates. The manager buys and sells bonds with the goal of increasing the value of the fund. The investor receives diversification across multiple bond issues, professional selection of bonds with an eye toward reducing the risk of default, and laddering of bonds of different maturities and returns typically with the goal of creating a stable flow of income (but no guarantee).

Unless the bond fund is a Unit Investment Trust (UIT,) it has no



maturity and thus no obligation to return your principal. The value of your investment in a bond fund will change in response market conditions and interest rates. If a bond fund falls in value, there is no option of simply holding it until maturity to recapture your principal. On the other hand, you gain liquidity through the ability to sell virtually all bond funds at the current fund value (NAV).

The problem with bond funds, and with bonds you might want to sell before maturity, is the future direction of interest rates. The chart below shows the change in interest rates over the last 10 years. With every drop in rate, the value of a good bond increases if sold today. It’s a good ride and one you want to stay on as long as it lasts.

The catch is that we don’t know how long interest rates will remain at their current lows. The Federal Reserve has indicated that it sees no need for increases in the Fed Funds rate in the near future. The economy still struggles to recover and low rates are a good thing for the greatest debtor in our country – the U.S. Government. What we do know is that when rates begin to rise, they will affect the value of a bond portfolio. That’s when risk management needs to be a part of the portfolio. We welcome an opportunity to review your portfolio with you and to discuss possible risks in your portfolio. Then, when rates rise, as they inevitably must, you will have a plan in place.

## Wall & Company’s New Simplified Fee Schedule

Effective 4/1/11, Wall & Company will implement a new simplified management fee schedule that will apply to all our managed investment programs. For billing purposes, the new fee schedule will combine all household managed investment programs (households includes family members living at the same address) so that clients will benefit from a graduated lower fee schedule as investment assets under Wall & Company management rise. There will no longer be a performance fee or net-worth restriction on Wall & Company’s flagship WGOII program. The new management fee schedule will be inclusive of the Orion Performance reporting expense that formerly was billed as an additional fee. Millennium Trust Company (MTC) custodian charges and other investment product expenses will continue to be separate from Wall & Company’s management fee. More details are provided within the firms enclosed disclosure documents, Form ADV Part 2A and Form ADV Part 2B. Please call the client service team, Kim or Andrea, with any questions.

### Management Fee Schedule

Assets Under Management	Annual Management Fee
First \$250,000	1.90%
Next \$250,000	1.60%
Next \$500,000	1.30%
Above \$1,000,000	1.00%

## Money Manager Review — continued from page 1

be invested in safer, less volatile investments. Equally important is having an investment strategy to get back into the stock market, but only when it is safer to be there.”

NOTE: Past performance does not guarantee future results. Any investment has the potential for loss as well as gain.

**W. Wall and Company, Inc.  
Two Town Square  
Suite 310A  
Asheville, North Carolina 28803**

**Phone: 828-651-9617  
Fax: 828-651-8101  
Web Site: [www.wallco.com](http://www.wallco.com)**

**April 1, 2011**

**FORM ADV PART 2A.  
BROCHURE**

**This brochure provides information about the qualifications and business practices of W. Wall and Company, Inc. If you have any questions about the contents of this brochure, please contact us at 828-651-9617. 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 W. Wall and Company, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for W. Wall and Company, Inc. is 113075.**

**W. Wall and Company, Inc. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

## Table of Contents

<b><i>Advisory Business and Investment Programs.....</i></b>	<b><i>1</i></b>
<b><i>Fees and Compensation .....</i></b>	<b><i>8</i></b>
<b><i>Types of Clients.....</i></b>	<b><i>9</i></b>
<b><i>Methods of Analysis, Investment Strategies and Risk of Loss.....</i></b>	<b><i>10</i></b>
<b><i>Disciplinary Information.....</i></b>	<b><i>11</i></b>
<b><i>Other Financial Industry Activities and Affiliations .....</i></b>	<b><i>12</i></b>
<b><i>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....</i></b>	<b><i>13</i></b>
<b><i>Brokerage Practices .....</i></b>	<b><i>14</i></b>
<b><i>Review of Accounts.....</i></b>	<b><i>15</i></b>
<b><i>Client Referrals and Other Compensation.....</i></b>	<b><i>16</i></b>
<b><i>Custody.....</i></b>	<b><i>17</i></b>
<b><i>Investment Discretion .....</i></b>	<b><i>18</i></b>
<b><i>Voting Client Securities.....</i></b>	<b><i>19</i></b>
<b><i>Financial Information.....</i></b>	<b><i>20</i></b>
<b><i>Requirements for State-Registered Advisers.....</i></b>	<b><i>21</i></b>
<b><i>Additional Information.....</i></b>	<b><i>22</i></b>

## Advisory Business

Form ADV Part 2A, Item 4

The U.S. Securities and Exchange Commission granted W. WALL AND COMPANY, INC.'s registration on July 6, 2001. Warren William Wall (CRD Number 1075703) is President and Chief Compliance Officer of the firm. Mr. Wall is one hundred (100%) percent equity owner of the firm. The firm is not publicly owned or traded. There are no indirect owners of the firm or intermediaries who have any ownership interest in the firm. The firm manages each client's portfolio on an individualized basis. Clients may impose restrictions on their accounts. The firm does not participate in wrap programs. As of our last reporting period, the firm managed assets on a discretionary basis in the amount of \$30,197,577, representing 345 accounts.

### FINANCIAL PLANNING AND CONSULTING

Company may provide its clients with financial planning and/or consulting services (including investment and non-investment related matters). The Company will generally charge a fixed fee or hourly for these services. Company's financial planning and consulting fees are negotiable, but generally \$1000+ on a fixed fee basis, or \$250 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s). Prior to engaging the Company to provide financial planning and/or consulting services, the client will generally be required to enter into a *Financial Planning and Consulting Agreement* with Company setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Company commencing services.

In performing its services, Company shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. If requested by the client, Company may recommend the services of other professionals for implementation purposes. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Company. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify the Company if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Company's previous recommendations and/or services.

### INVESTMENT IMPLEMENTATION / MANAGEMENT (Fee Basis)

In the event the client determines to implement investment recommendations through the Company on a *fee* basis, Company shall receive an annual investment management fee based upon a percentage of the market value of the assets (between 1.00% and 1.90% as discussed below) being managed by the Company. Company's annual investment management fee shall be prorated and paid quarterly, in arrears, based upon the market value of the assets on the last day of the previous quarter. The Company generally requires a \$100,000 account household minimum for retail investment management services. However, the Company, in its sole discretion, may reduce the account minimum and management fee based upon certain criteria (i.e. pre-existing financial planning client, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc).

Except for variable annuity program accounts (which are maintained directly at the insurance company or broker dealer sponsor), the Company shall currently recommend that all accounts be maintained at Millennium Trust Company ("M.T.C."). Factors which the Company considers in recommending M.T.C. to clients include M.T.C.'s financial strength, reputation, reporting, execution, pricing, research, and service. M.T.C. enables Company to obtain many no-load mutual funds and other load-waived mutual funds at nominal transaction

charges. M.T.C., or their third-party vendors, may charge commission rates on certain Company managed accounts which are generally considered discounted from customary retail commission rates. But the commissions and/or transaction fees charged by M.T.C. or their vendors may be higher or lower than those charged by other broker-dealers/custodians. The fees charged by M.T.C. or any other designated broker-dealer/custodian/vendors, are exclusive of, and in addition to, Company's investment management fee. In addition to Company's investment management fee, the client shall also incur charges imposed at the mutual fund and exchange traded fund level (e.g. management fees, DVP/RVP charges, trading costs and other fund expenses). M.T.C. charges an administrative fee based upon client assets maintained at M.T.C. The maximum M.T.C. custody fee totals 0.07% quarterly and is charged to each client account on a quarterly basis, in arrears. The maximum MTC individual account custody fee is \$125.00 per quarter. Their minimum custody fee is \$25.00 per quarter. MTC minimum account custody fee for 15 or more securities held in a customer account are \$43.75 per quarter. Certain mutual funds that may comprise the client's portfolio may impose short-term redemption fees (usually, mutual funds sold within 30 days of purchase). Clients invested within Company investment programs that use "flat-fee" variable annuities do not pay M.T.C. custody fees. Instead, they typically pay the annuity company a flat-fee of \$20.00 a month that covers both the annuity custody and administrative costs. In addition, clients may voluntarily elect to pay for certain enhanced annuity benefits through annuity riders offered by the annuity company. Please review the annuity prospectus for more details and disclosures.

Prior to engaging the Company to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Company setting forth the terms and conditions under which Company shall manage the client's investments, and a separate agreement with M.T.C. (or other designated broker-dealer/custodian of the client's investment assets), setting forth the services to be provided and the corresponding applicable fees and/or charges.

Both Company's *Investment Advisory Agreement* and M.T.C.'s brokerage/custodial/clearing agreement, may authorize the custodian of the client's account to debit the account for the amount of the Company's investment management fee and sub-advisor's fee and to directly remit that management fee to Company in compliance with regulatory procedures (M.T.C. nor any other custodian used does not check the accuracy of the fee calculation). The client has the responsibility to review the fee information and notify the Company immediately with any questions or disputes regarding the fee. The client has sixty (60) days after the receipt of each billing invoice from the Company to raise questions regarding the fees. If there is no communication to this effect during this period, the Company will assume that the client is in agreement with the bill.

The Company will collect fees from Client as described herein directly from the account from which the fees are due. Client further agrees that the Company may also collect fees from the account for other accounts managed by the Company for members of client's same household in the event that client's family member does not pay fees from his or her account as required (Client's household shall include spouse, natural or adopted children, siblings, parents, grandparents and grandchildren living at the same address).

The *Investment Advisory Agreement* between the Company and the client will continue in effect until terminated by either party by written notice. The Company's investment management fee shall be prorated through the date of termination, and the account shall be debited for fees owed and not yet paid.

Certain of the mutual funds/variable life/annuity products which comprise a client's account may have been purchased by the client, prior to, contemporaneous with, or subsequent to the engagement of the Company for which product sales the client may have paid (may pay) a commission. The Company's investment management fee is exclusive of, and in addition to, any such commission charges.

The Company provides investment management services to its clients either through the Company's proprietary Dynamic Asset Allocation Programs (which include both Equity and Bond Programs, as discussed below), or through the use of other investment managers outside of the Company. The company's proprietary Dynamic Asset Allocation programs are described in detail below. In either event, each client first completes an Investor Profile, which the Company reviews to determine the appropriate investment strategy for that client in

order to meet his or her financial goals, objectives, and risk tolerance.

The Company's tactical allocation programs have been designed to comply with the requirements of Rule 3a-4 of the Investment Company Act of 1940. Rule 3a-4 provides similarly managed investment programs, with a non-exclusive safe harbor from the definition of an investment company. In accordance with Rule 3a-4, the following disclosure is specifically applicable to Company's management of client assets:

1. **Initial Interview** – at the opening of the account, the Company, through its designated representatives, shall obtain from the client information sufficient to determine the client's financial situation and investment objectives;
2. **Individual Treatment** – the client's account is managed on the basis of the client's financial situation and investment objectives;
3. **Quarterly Notice** – at least quarterly the Company shall notify the client to advise the Company whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of his/her/its account;
4. **Annual Contact** – at least annually, the Company shall contact the client to determine whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of his/her/its account.
5. **Consultation Available** – the Company shall be reasonably available to consult with the client relative to the status of the client's account;
6. **Quarterly Statement** – the client shall be provided with a quarterly report for the account for the preceding period;
7. **Ability to Impose Restrictions** – the client shall have the ability to impose reasonable restrictions on the management of the account, including the ability to instruct the Company not to purchase certain mutual funds;
8. **No Pooling** – the client's beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the client's account;
9. **Separate Account** - a separate account is maintained for the client with the Custodian; and
10. **Ownership** – each client retains indicia of ownership of the account (e. g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

Company's annual investment management fee may be higher or lower than that charged by other investment advisers offering similar services/programs. Company's investment programs may involve above-average portfolio turnover which could negatively impact upon the net after-tax gain experienced by an individual client in a taxable account.

*Dynamic Asset Allocation Programs:*

The Company's actively managed accounts fall into two broad investment categories. These include our Bond Managed Programs and Equity Managed Programs. The Bond Managed Programs generally follow a strategy that when triggered will move client Bond mutual fund positions incrementally into the better performing bond mutual fund sectors or money market mutual funds. This means that at any one time the client's assets could be either fully invested (usually in bond mutual funds) or they are in cash money market mutual funds.

The Company's Equity Managed Programs invest in a core holding of usually one or more growth and value style mutual funds, variable annuity sub-accounts and Exchange Traded Funds (ETF) that are exhibiting market leadership and may choose mutual funds based on how they perform on the firms trend following signals. Positions are sold or added as market leadership rotates between large-cap and small-cap stocks, growth and value styles of investing, and international and domestic areas. Leadership changes because economic conditions change. The process of "upgrading" steers us incrementally to those areas of the market demonstrating strength. It provides a process by which we can participate in a broad range of investment opportunities as they develop. Movements between these various mutual funds, variable annuity sub-accounts and ETFs are dictated by proprietary technically derived market signals which are based on various market indices, which could include the S&P 500, the NASDAQ Composite and the Dow Jones Average. Wall and Company tactically managed accounts may be invested up to 100% within equity or bond mutual funds, ETFs, and/or cash. Generally, the performance objectives of all Wall and Company Inc equity managed programs are to exceed the average of the S&P 500 Index with dividends, with lower volatility, over a market cycle (typically 3 to 5 years).

Clients recognize that there is no assurance regarding the accuracy of buy/sell signals, and that any market losses resulting from the timing of such signals are normal market risks, and are the risk of the client. It may require several weeks to establish new investment accounts that are in transfer to the company, and losses may occur during the new account transfer period for which the Company has no control and assumes no responsibility.

The client grants the Company and any company approved unaffiliated sub-advisor with the discretionary authority to buy and sell securities within their Dynamic Asset Allocation management programs. In addition, the client grants the Company the authority to establish, maintain and transfer investment accounts between preferred investments, but all new accounts require a client's signature. When participating in the Dynamic Asset Allocation Programs, all accounts are discretionary. However, the Company may manage some "Non-Dynamic Asset Allocation" accounts on a Non-discretionary basis.

The Company provides all clients participating in the Dynamic Asset Allocation Programs quarterly reports showing portfolio holdings and value as of quarter end, as well as a complete listing of all transactions and management fees incurred in each account during the period.

#### **Bond Managed Programs:**

##### **(1) Short-Term Bond Allocation Program (ST-BAP)**

The ST-BAP program started 3/1/09 and will be invested in a selection of U.S. registered bond and money market mutual funds. This program primarily consists of a selection of non-leveraged, long-only short-term bond mutual funds that may be invested within government, corporate, mortgage and municipal bonds. As bond mutual fund leadership changes occur up to 100% of the funds can be invested within short-term bond mutual funds or money market mutual funds. This program is considered a conservative risk investment program. The performance objective of ST-BAP is to exceed the average performance of the Barclay Capital (1-3 Year) Government Bond Index over a market cycle (typically 3 to 5 years).

##### **(2) Bond Allocation Programs: (BAP and BAP-VA)**

The BAP program started 1/1/03 and BAP-VA started 10/26/09. Both the BAP and BAP-VA programs can invest in a core holding of 2 or more of non-leveraged, long-only U.S. registered government, corporate or high yield bond mutual funds and money market mutual funds. Movement between these funds are determined by technically derived market signals. When signaled to be in the market, up to 100% of investor funds can be invested within Bond mutual funds. When signaled to be out of the bond market, funds can be moved up to

100% into money market funds and/or short-term bond funds. The BAP-VA program is simply the BAP strategy managed within a tax-deferred variable annuity with Jefferson National Monument Flat-Fee Variable Annuity (See their prospectus for more details on variable annuity costs) These programs are considered conservative to moderate risk investment programs. The performance objectives of these programs are to exceed the average performance of the Barclay US Aggregate Bond Index over a market cycle (typically 3 to 5 years).

**(3) Bond Allocation Program-Active Funds: (BAP-AF)**

The BAP-AF program started 3/18/11 and invests in a selection of non-leveraged, long-only “active-friendly” U.S. registered high yield corporate bond mutual funds and money market funds. Movement between these funds are determined by technically derived market signals. This programs goal is to be full invested within High Yield corporate bond funds as they are rising and move out of them into the safety of money market funds during bond market downtrends. This program is fairly active and my average 3 to 5 trades per month. This program is considered a moderate risk program. The performance objective of this program is to exceed the average performance of the Barclay Capital U.S. Corporate High Yield Index over a market cycle (typically 3 to 5 years).

**Equity Managed Programs:**

**(1) Global Growth Opportunities Program: (WGO)**

The WGO program started 10/4/00 and may invest in a selection of non-leveraged, long-only U.S. registered international and domestic equity and bond mutual funds. The WGO program consists of an active asset allocation strategy that seeks to participate in the intermediate term up-trends of a selection of equity and bond mutual funds. WGO is typically invested within a core holding of ten equity mutual funds that are exhibiting market leadership. Positions are sold and/or added as market leadership rotates between large-cap and small-cap stocks, growth and value styles of investing in both domestic and international stock markets. This program may be invested up to 100% within equity mutual funds during stock market up-trends or may be invested within 100% short-term bond and/or money market mutual funds during stock market down-trends. Movement between these various investment choices are determined by intermediate-term mutual fund performance rankings and technically derived market signals. The WGO program is considered a moderate to aggressive risk program. The performance objective of this program is to exceed the average performance of the S&P 500 Total Return Index over a market cycle (typically 3 to 5 years).

**(2) Global Growth Opportunities Program II: (WGOII)**

The WGOII program started 10/4/00 and may invest in a selection of non-leveraged, long-only U.S. registered international and domestic equity Exchange Trade Funds (ETF’s) and bond mutual funds. The WGOII program consists of an active asset allocation strategy that seeks to participate in the intermediate term up-trends of a selection of equity ETF’s and bond mutual funds. WGOII is typically invested within a core holding of twelve equity ETF’s that are exhibiting market leadership. Positions are sold and/or added as market leadership rotates between large-cap and small-cap stocks, growth and value styles of investing in both domestic and international stock markets. This program may be invested up to 100% within equity ETF’s during stock market up-trends or may be invested 100% within short-term bond and/or money market mutual funds during stock market down-trends. Movement between the various investment choices are determined by intermediate-term ETF performance rankings and technically derived market signals. The WGOII program is considered a moderate to aggressive risk program. The performance objective of this program is to exceed the average performance of

the S&P 500 Total Return Index over a market cycle (typically 3 to 5 years).

**(3) Global Growth Opportunities Program II Plus: (WGOII+)**

The WGOII+ program started 03/31/11 and may invest in a selection of U.S. registered international and domestic equity Exchange Trade Funds (ETF's), inverse equity mutual funds and money market mutual funds. The WGOII+ program consists of an active asset allocation strategy that seeks to participate in the intermediate term up-trends of a selection of equity ETF's funds. WGOII+ is typically invested within a core holding of twelve equity ETF's that are exhibiting market leadership. Positions are sold and/or added as market leadership rotates between large-cap and small-cap stocks, growth and value styles of investing in both domestic and international stock markets. This program may be invested up to 100% within equity ETF's during stock market up-trends or may be allocated 50% within money market funds and 50% in "inverse" equity mutual funds during stock market downturns. The portion invested within "inverse" equity funds allows for the potential to make higher returns during stock market declines. Movement between these various investment choices are determined by intermediate-term ETF performance rankings and technically derived market signals. The WGOII+ program is considered an aggressive risk program. The performance objective of this program is to exceed the average performance of the S&P 500 Total Return Index over a market cycle (typically 3 to 5 years).

**(4) Global Growth Program Variable Annuity Program: (GGPVA and GGPVA-GDB)**

The GGPVA program was started 1/4/01 and may invest in a selection of non-leveraged, long-only U.S. registered variable annuity sub-accounts within the Jefferson National Monument Flat Fee Variable Annuity. All gains and dividends generated within these programs are tax-deferred until funds are withdrawn. These programs consist of an active asset allocation strategy that seeks to participate in the intermediate term up-trends of a selection of equity and bond sub-accounts. Both programs typically invested within a core holding of ten equity sub-accounts that are exhibiting market leadership. Positions are sold and/or added as market leadership rotates between large-cap and small-cap stocks, growth and value styles of investing in both domestic and international stock markets. The programs may be invested up to 100% within equity sub-accounts during stock market up-trends or may be allocated 100% invested within money market or short-term bond sub-account funds during stock market down-trends. Movements between these various investment choices are determined by intermediate-term sub-account fund performance rankings and technically derived market signals. The GGPVA-GDB program is simply the GGPVA strategy describe above with a Guaranteed Death Benefit annuity rider. (See the Jefferson National Monument Variable Annuity prospectus for more details on this rider and related variable annuity costs.) The performance objective of this program is to exceed the average performance of the S&P 500 Total Return Index over a market cycle (typically 3 to 5 years).

**(5) Global Growth Program Variable Annuity Program Plus: (GGPVA+)**

The GGPVA+ program started 09/02/10 and may invest in a selection of U.S. registered variable annuity sub-accounts within the Jefferson National Monument Flat Fee Variable Annuity. All gains and dividends generated within this program are tax-deferred until funds are withdrawn. This program consists of an active asset allocation strategy that seeks to participate in the intermediate term up-trends of a selection of equity and bond sub-accounts. The program typically invested within a core holding of ten equity sub-accounts that are exhibiting market leadership. Positions are sold and/or added as market leadership rotates between large-cap and small-cap stocks, growth and value styles of investing in both domestic and international stock markets. This program may be invested up to 100% within equity sub-accounts during market up-trends and 50% in short-term bond funds and 50% in "inverse" equity sub-accounts during stock market down-trends. The portion

invested within “inverse” equity sub-accounts provides an opportunity to potentially make higher returns during stock market declines. Movements between these various investment choices are determined by intermediate-term sub-account fund performance rankings and technically derived market signals. (See the Jefferson National Monument Variable Annuity prospectus for more details on variable annuity costs.) The GGPVA+ program is considered an aggressive risk program. The performance objective of this program is to exceed the average performance of the S&P 500 Total Return Index over a market cycle (typically 3 to 5 years).

**(6) Global Growth Program Variable Annuity - Guaranteed Income (GGPVA-GI)**

The GGPVA-GI was started 11/10/09 and may invest in a selection of non-leveraged, long-only U.S. registered variable annuity sub-accounts within the Phoenix Portfolio Advisor Variable Annuity. All gains and dividends generated within this program are tax-deferred until funds are withdrawn. This program consists of an active asset allocation strategy that seeks to participate in the intermediate term up-trends of a selection of Ibbotson ETF Allocation portfolio’s. This program may be invested up to 100% within the Ibbotson Growth ETF sub-account during stock market up-trends or it may be allocated 100% within the Ibbotson Conservative ETF allocation sub-account during stock market down-trends. This program includes a Guaranteed Lifetime Income rider. (See the Phoenix Portfolio Advisor Variable Annuity prospectus for more details on the Guaranteed Lifetime Income rider and related variable annuity costs). The GGPVA-GI program is considered a moderate risk investment program. The performance objective of this program is to exceed the average performance of the S&P 500 Total Return Index over a market cycle (typically 3 to 5 years). The GGPVA-GI program is currently closed to new investors.

## *Fees and Compensation*

Form ADV Part 2A, Item 5

### **Management Fee Schedule**

The company charges fees as shown below as a percent of assets as valued by the custodian at the close of business day of each quarter. Fees are charges quarterly in arrears at the rate of one quarter of the annual fee and are due within the first 15 days following the end of the prior quarter.

<u>Assets Under Management</u>	<u>Annual Management Fee</u>
First \$250,000	1.90%
Next \$250,000	1.60%
Next \$500,000	1.30%
Above \$1,000,000 +	1.00%

Brokerage commissions and/or custody fees charged by other broker-dealers/custodians are exclusive of and in addition to the Company's investment management fee. Although the commissions paid by the Company's clients shall comply with the Company's duty to obtain best execution, a client may pay a transaction fee that is higher than another qualified broker-dealer/custodian might charge to effect the same transaction where the Company determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. The Company's best execution responsibility is minimized by the fact that the vast majority of securities that it purchases for client accounts are mutual funds that trade at net asset value as determines at the daily market close.

### **Institutional Fee Schedule**

The Company may also provide a "signal service" in which it provides investment management strategies to other advisors and/or institutions under the Institutional Fee Schedule below. Strategies provided to these managers may be the same or similar to those provided to clients of the Company. Fees charged to these advisors and/or institutions are separate and different from those charged to the Company's clients.

<u>Assets Under Management</u>	<u>Annual Management Fee</u>
First \$250,000	0.75%
Next \$250,000	0.60%
Next \$500,000	0.50%
Above \$1,000,000 +	0.40%

*Types of Clients*

Form ADV Part 2A, Item 7

Individuals, trusts, estates and business entities.

The Company generally requires an account minimum of \$100,000 for retail accounts, subject to waiver at the discretion of the Company as discussed above at items 4 and 5.

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

Form ADV Part 2A, Item 8

Methods of securities analysis are charting analysis and technical analysis.

Investment strategies can include long term purchases (securities held at least a year), short term purchases (securities sold within a year) and trading (securities held less than 30 days).

All investments carry some degree of risk of loss which the client should be prepared to bear..

*Disciplinary Information*

Form ADV Part 2A, Item 9

FINRA Division of Enforcement. Action alleging filing of false and misleading Form U5. Finding entered against Warren William Wall, CRD Number 1075703.

Following the FINRA action, the Certified Financial Planning, C.F.P., Hearing Panel of the Disciplinary and Ethics Commission, reviewed and investigated the details surrounding the FINRA action against Wall and conducted a hearing on this matter on June 24, 2010. The Panel **did not agree** with FINRA's findings that the Respondent willfully filed a false, inaccurate, and misleading Form U-5. They concluded that Wall **did not** violate any CFP Board's Code of Ethics.

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

Form ADV Part 2A, Item 10

In the event that the client desires, the client can engage the Company's Principal and/or Associated Persons, in their respective individual capacities, as a licensed insurance agent, to implement insurance recommendations on a fully-disclosed commission basis. The insurance commissions charged by the recommended insurance company may be higher or lower than those charged by other insurance companies.

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

Form ADV Part 2A, Item 11

The Company has implemented an investment policy relative to personal securities transactions. This investment policy is part of Company's overall Code of Ethics which serves to establish a standard of business conduct for all of Company's Associated Persons that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request. The Company will, at all times, place the interests of its clients first. The code of ethics is available to all clients and prospects.

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

### *Brokerage Practices*

Form ADV Part 2A, Item 12

Except for variable annuity program accounts (which are maintained directly at the insurance company or broker dealer sponsor), the Company shall currently recommend that all accounts be maintained at Millennium Trust Company ("M.T.C."). Factors which the Company considers in recommending M.T.C. to clients include M.T.C.'s financial strength, reputation, reporting, execution, pricing, research, and service. M.T.C. enables Company to obtain many no-load mutual funds and other load-waived mutual funds at nominal transaction charges. M.T.C., or their third-party vendors, may charge commission rates on certain Company programs which are generally considered discounted from customary retail commission rates. But the commissions and/or transaction fees charged by M.T.C. or their vendors may be higher or lower than those charged by other broker-dealers/custodians. M.T.C. charges an administrative fee based upon client assets maintained at M.T.C. The maximum M.T.C. custody fee plus the Orion Advisor performance reporting fee currently totals 0.07% quarterly and is charged to each client account on a quarterly basis. The maximum MTC individual account custody fee is \$125.00 per quarter. Their minimum custody fee is \$25.00 per quarter. MTC minimum account fees for 15 or more securities held in a customer account are \$43.75 per quarter. Clients invested within Company investment programs that use "flat-fee" variable annuities do not pay M.T.C. custody fees. Instead, they typically pay the annuity company a flat-fee of \$20.00 a month that covers both the annuity custody and administrative costs. In addition, clients may voluntarily elect to pay for certain enhanced annuity benefits through annuity riders offered by the annuity company. Please review the annuity prospectus for more details and disclosures.

The fees charged by M.T.C. or any other designated broker-dealer/custodian, are exclusive of, and in addition to, Company's investment management fee. In addition to Company's investment management fee, the client shall also incur charges imposed at the mutual fund and exchange traded fund level (e.g. management fees, DVP/RVP charges and other fund expenses). Lastly, certain mutual funds that may comprise the client's portfolio may impose short-term redemption fees (usually, mutual funds sold within 30 days of purchase).

### *Review of Accounts*

Form ADV Part 2A, Item 13

For those clients to whom Company provides investment supervisory services, the Company's Principal and/or Associated Persons conduct account reviews on an ongoing basis. All investment supervisory and financial planning clients are advised that it remains their responsibility to advise the Company of any changes in their investment objectives and/or financial situation. All clients (in person, by letter or via telephone) are encouraged to comprehensively review financial planning issues, investment objectives and account performance with the Company on an annual basis, as applicable.

Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Those clients to whom Company provides investment advisory services may also receive a quarterly report from the Company summarizing account activity and performance.

### *Client Referrals and Other Compensation*

Form ADV Part 2A, Item 14

If a client is introduced to the Company by either an unaffiliated or an affiliated solicitor, Company may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from the Company's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to the Company by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his solicitor relationship, and shall provide each prospective client with a copy of the Company's written disclosure statement as same is set forth on Part II of Form ADV, including this Schedule "F", together with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between the Company and the solicitor, including the compensation to be received by the solicitor from the Company.

Please see the previous responses relative to financial planning and consulting services.

As discussed in this narrative brochure, the Principal and/or Associated Persons of Company, in their individual capacities as licensed insurance agents of *Wall*, may effect insurance transactions on a fully disclosed commission basis.

The principal and/or associated persons of the company are also an instructor within the Financial Educations Network and conducts educational workshops for a nominal registration fee.

The company provides document preparation services, for a fee, to clients it refers to attorneys affiliated with The Estate Plan Network. Current Estate Plan Network attorneys include Jeffrey G. Marsocci, PLLC for North Carolina Residents and Tim Harbeson for South Carolina Residents.

The company provides document preparation services, for a fee, to clients it refers to attorneys affiliated with The Medicaid Plan Network. Current Medicaid Plan Network attorneys include Jeffrey G. Marsocci, PLLC for North Carolina Residents.

*Custody*

Form ADV Part 2A, Item 15

None.

***Investment Discretion***

Form ADV Part 2A, Item 16.

The client, by signing a “Limited Power of Attorney” provides the Company with limited discretionary trading authority. As such, the Company is able to determine, without first obtaining client consent, the securities to be bought or sold, the amount of the securities to be bought or sold, the broker or dealer to be used and the commission rates charged.

***Voting Client Securities***

Form ADV Part 2A, Item 17

The Company's clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. The Company and/or the client shall correspondingly instruct each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

*Financial Information*

Form ADV Part 2A, Item 18

No financial reporting is required since the Company does not receive fees more than six months in advance.

*Requirements for State-Registered Advisers*

Form ADV Part 2A, Item 19

Not applicable.

### *Additional Information*

In performing its services, Company shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his responsibility to promptly notify the Company if there is ever any change in his financial situation or investment objectives for the purpose of reviewing/evaluating/revising Company's previous recommendations and/or services, or if they wish to impose any reasonable restrictions upon Company's investment advisory services.

Neither the Company nor the client may assign the *Financial Planning and Consulting Agreement*, or *Investment Advisory Agreement* without the prior written consent of the other party. Transactions that do not result in a change of actual control or management of the Company shall not be considered an assignment.

Product penalties such as mutual fund short term redemption fees may still apply.

**Warren William Wall**

**W. Wall and Company, Inc.  
Two Town Square  
Suite 310A  
Asheville, North Carolina 28803**

**Phone: 828-651-9617**

**April 1, 2011**

**FORM ADV PART 2B  
BROCHURE SUPPLEMENT**

**This brochure supplement provides information about Warren Wall that supplements the W. Wall and Company, Inc. brochure. You should have received a copy of that brochure. Please contact Warren Wall, President and Chief Compliance Officer if you did not receive W. Wall and Company, Inc.'s brochure or if you have any questions about the contents of this supplement.**

**Additional information about Warren Wall is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## Table of Contents

<b><i>Educational Background and Business Experience.....</i></b>	<b><i>1</i></b>
<b><i>Disciplinary Information.....</i></b>	<b><i>3</i></b>
<b><i>Other Business Activities.....</i></b>	<b><i>4</i></b>
<b><i>Additional Compensation.....</i></b>	<b><i>5</i></b>
<b><i>Supervision.....</i></b>	<b><i>6</i></b>
<b><i>Requirements for State-Registered Advisers.....</i></b>	<b><i>7</i></b>

## ***Educational Background and Business Experience***

Form ADV Part 2B, Item 2

**Warren W. Wall**

**DOB:** 06/18/58

**Educational Background**

Warren Wilson College  
Swannanoa, NC

1979-BA  
Economics

Western Carolina University  
Cullowhee, NC

1981-MBA  
Management

College for Financial Planning  
Denver, CO

1989-CFP

**Business Background**

W. Wall and Company, Inc.  
President

04/96-Present

Wall and Company Securities, Inc.  
President

03/96-12/08

Ridgeway and Conger Inc

12/07-12/09

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents

outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification

*Disciplinary Information*

Form ADV Part 2B, Item 3

FINRA Division of Enforcement. Action alleging filing of false and misleading Form U5. Finding entered against William Warren Wall, CRD Number 1075703.

Following the FINRA action, the Certified Financial Planning, C.F.P., Hearing Panel of the Disciplinary and Ethics Commission, reviewed and investigated the details surrounding the FINRA action against Wall and conducted a hearing on this matter on June 24, 2010. The Panel **did not agree** with FINRA's findings that the Respondent willfully filed a false, inaccurate, and misleading Form U-5. They concluded that Wall **did not** violate any CFP Board's Code of Ethics.

***Other Business Activities***

Form ADV Part 2B, Item 4

In the event that the client desires, the client can engage the Company's Principal and/or Associated Persons, in their respective individual capacities, as a licensed insurance agent, to implement insurance recommendations on a fully-disclosed commission basis. The insurance commissions charged by the recommended insurance company may be higher or lower than those charged by other insurance companies.

As discussed in this narrative brochure, the Principal and/or Associated Persons of Company, in their individual capacities as licensed insurance agents of *Wall*, may effect insurance transactions on a fully disclosed commission basis.

The principal and/or associated persons of the company are also an instructor within the Financial Educations Network and conducts educational workshops at area schools for a nominal registration fee.

The company provides document preparation services, for a fee, to clients it refers to attorneys affiliated with The Estate Plan Network. Current Estate Plan Network attorneys include Jeffrey G. Marsocci, PLLC for North Carolina Residents and Tim Harbeson for South Carolina Residents.

The company provides document preparation services, for a fee, to clients it refers to attorneys affiliated with The Medicaid Plan Network. Current Medicaid Plan Network attorneys include Jeffrey G. Marsocci, PLLC for North Carolina Residents..

*Additional Compensation*

Form ADV Part 2B, Item 5

See Item 4, above.

*Supervision*

Form ADV Part 2B, Item 6

Not applicable.

***Requirements for State-Registered Advisers***

Not applicable.