

FORM ADV

Uniform Application for Investment Adviser Registration

Part II - Page 1

OMB APPROVAL	
OMB Number:	3235-0049
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Name of Investment Adviser: Calton & Associates, Inc.				
Address: (Number and Street)	(City)	(State)	(Zip Code)	Area Code: Telephone Number:
14497 N. Dale Mabry Hwy. Suite 215	Tampa	FL	33618	(813) 264-0440

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any governmental authority.**

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Applicant: Calton & Associates, Inc.	SEC File Number: 801-70036	Date: 03/18/2011
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1. **A. Advisory Services and Fees.** (check the applicable boxes) For each type of service provided, state the approximate % of total advisory billings from that service. **EST** (See instruction below.)

Applicant:

- (1) Provides investment supervisory services **30%**
- (2) Manages investment advisory accounts not involving investment supervisory services **30%**
- (3) Furnishes investment advice through consultations not included in either service described above **10%**
- (4) Issues periodicals about securities by subscription %
- (5) Issues special reports about securities not included in any service described above %
- (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities %
- (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities **10%**
- (8) Provides a timing service **2%**
- (9) Furnishes advice about securities in any manner not described above **18%**

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

B. Does applicant call any of the services it checked above financial planning or some similar term? Yes No

C. Applicant offers investment advisory services for: (check all that apply)

- (1) A percentage of assets under management (4) Subscription fees
- (2) Hourly charges (5) Commissions
- (3) Fixed fees (not including subscription fees) (6) Other

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. **Types of clients** - Applicant generally provides investment advice to: (check those that apply)

- A. Individuals E. Trusts, estates, or charitable organizations
- B. Banks or thrift institutions F. Corporations or business entities other than those listed above
- C. Investment companies G. Other (describe on Schedule F)
- D. Pension and profit sharing plans

Applicant:

Calton & Associates, Inc.

SEC File Number:

801- 70036

Date:

03/18/2011

3. Types of Investments. Applicant offers advice on the following: (check those that apply)

- | | |
|--|---|
| <input checked="" type="checkbox"/> A. Equity securities
<input checked="" type="checkbox"/> (1) exchange-listed securities
<input checked="" type="checkbox"/> (2) securities traded over-the-counter
<input checked="" type="checkbox"/> (3) foreign issues

<input checked="" type="checkbox"/> B. Warrants

<input checked="" type="checkbox"/> C. Corporate debt securities
(other than commercial paper)

<input checked="" type="checkbox"/> D. Commercial paper

<input checked="" type="checkbox"/> E. Certificates of deposit

<input checked="" type="checkbox"/> F. Municipal securities

G. Investment company securities:
<input checked="" type="checkbox"/> (1) variable life insurance
<input checked="" type="checkbox"/> (2) variable annuities
<input checked="" type="checkbox"/> (3) mutual fund shares | <input checked="" type="checkbox"/> H. United States government securities

I. Options contracts on:
<input checked="" type="checkbox"/> (1) securities
<input type="checkbox"/> (2) commodities

J. Futures contracts on:
<input type="checkbox"/> (1) tangibles
<input checked="" type="checkbox"/> (2) intangibles

K. Interests in partnerships investing in:
<input checked="" type="checkbox"/> (1) real estate
<input checked="" type="checkbox"/> (2) oil and gas interests
<input type="checkbox"/> (3) other (explain on Schedule F)

<input checked="" type="checkbox"/> L. Other (explain on Schedule F) |
|--|---|

4. Methods of Analysis, Sources of Information, and Investment Strategies.

A. Applicant's security analysis methods include: (check those that apply)

- | | |
|---|---|
| (1) <input checked="" type="checkbox"/> Charting | (4) <input checked="" type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input checked="" type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|---|--|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines | (5) <input checked="" type="checkbox"/> Timing services |
| (2) <input type="checkbox"/> Inspections of corporate activities | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the
Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases |
| (4) <input checked="" type="checkbox"/> Corporate rating services | (8) <input checked="" type="checkbox"/> Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|--|---|
| (1) <input checked="" type="checkbox"/> Long term purchases
(securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions |
| (2) <input checked="" type="checkbox"/> Short term purchases
(securities sold within a year) | (6) <input checked="" type="checkbox"/> Option writing, including covered options, uncovered
options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days) | (7) <input checked="" type="checkbox"/> Other (explain on Schedule F) |
| (4) <input checked="" type="checkbox"/> Short sales | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

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5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? Yes No
 (If yes, describe these standards on Schedule F.)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- year of birth
- formal education after high school
- business background for the preceding five years

7. Other Business Activities. (check those that apply)

- A. Applicant is actively engaged in a business other than giving investment advice.
- B. Applicant sells products or services other than investment advice to clients.
- C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:

<input type="checkbox"/> (1) broker-dealer	<input type="checkbox"/> (7) accounting firm
<input type="checkbox"/> (2) investment company	<input type="checkbox"/> (8) law firm
<input type="checkbox"/> (3) other investment adviser	<input type="checkbox"/> (9) insurance company or agency
<input type="checkbox"/> (4) financial planning firm	<input type="checkbox"/> (10) pension consultant
<input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant	<input type="checkbox"/> (11) real estate broker or dealer
<input type="checkbox"/> (6) banking or thrift institution	<input type="checkbox"/> (12) entity that creates or packages limited partnerships

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?..... Yes No

(If yes, describe on Schedule F the partnerships and what they invest in.)

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9. Participation or Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- A. As principal, buys securities for itself from or sells securities it owns to any client.
- B. As broker or agent effects securities transactions for compensation for any client.
- C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account? Yes No
- (If yes, describe on Schedule F.)

11. Review of Accounts. If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

Please refer to Schedule F, Item 11.A.

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

Please refer to Schedule F, Item 11.B.

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12. Investment or Brokerage Discretion.

- A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:
- | | | |
|--|---|-----------------------------|
| (1) securities to be bought or sold? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (2) amount of the securities to be bought or sold? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (3) broker or dealer to be used? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (4) commission rates paid? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |

- B. Does applicant or a related person suggest brokers to clients? Yes No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? Yes No
- B. directly or indirectly compensates any person for client referrals? Yes No

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities unless applicant is registered or registering only with the Securities and Exchange Commission; or
 - requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- Has applicant provided a Schedule G balance sheet? Yes No

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant: Calton & Associates, Inc.	SEC File Number: 801- 70036	Date: 03/18/2011
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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Calton & Associates, Inc.	IRS Empl. Ident.No.: 59-2845944
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Item of Form (identify)	Answer
Item 1.D.	<p>ADVISORY SERVICES AND FEES</p> <p>Calton & Associates, Inc. (hereinafter "C&A" or the "Firm") offers personalized investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities. The Firm's services and fee arrangements are described in the following pages.</p> <p>C&A is a corporation formed under the laws of the State of Florida. This Schedule F narrative provides Clients with information regarding C&A and the qualifications, business practices, and nature of advisory services that should be considered before becoming an advisory Client of C&A.</p> <p>Please contact Robert B. Greblunas, Chief Compliance Officer/Vice President, if you have any questions about this Schedule F narrative. Additional information about C&A is available on the Internet at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for C&A is 20999.</p> <p>PORTFOLIO MANAGEMENT SERVICES</p> <p>C&A provides discretionary and non-discretionary portfolio management services where the investment advice provided is custom tailored to meet the needs and investment objectives of the Client. At the inception of the relationship, C&A may conduct interviews with the Client to determine the Client's investment objectives, risk tolerance and other relevant information and may review and/or develop an Investment Policy Statement. Based on the Investment Policy Statement and/or other relevant information, C&A will recommend an initial portfolio to the Client.</p> <p>Subject to any written guidelines, which the Client may provide, the Firm may be granted discretion and authority to manage the account. Accordingly, for discretionary accounts, C&A is authorized to perform various functions, at the Client's expense, without further approval from the Client. Such functions include the determination of securities to be purchased/sold, the amount of securities to be purchased/sold, the broker/dealer to be used, and the commission rate to be paid. Where the Firm enters into non-discretionary arrangements with Clients, the Firm will obtain Client approval prior to the execution of any transactions. Once the portfolio is constructed, C&A will provide continuous supervision and balancing of the portfolio as changes in market conditions and Client circumstances may require.</p> <p>As part of its portfolio management services, C&A may use one or more sub-advisers to manage all, or a portion of, the Client's assets. The sub-adviser(s) will actively manage the client's portfolio and will assume investment discretionary and trading authority over the managed account. C&A may assume discretionary authority to hire and / or terminate sub-adviser(s) or to reallocate the client's assets to other sub-adviser(s).</p> <p>The annual fee for portfolio management services is billed in accordance with the policies and procedures of the custodian with whom the account is held. Depending on the account custodian, accounts may be billed either in advance or in arrears, on a quarterly, monthly, or daily basis. Clients should refer to their account opening documents for information on the billing process applicable to their specific account(s). The fee and fee-paying arrangements will be clearly set forth in the Investment Management Agreement signed by the Client. Fees will be assessed pro rata in the event the portfolio management agreement is executed at any time other than the first day of a calendar quarter. The payment of fees for portfolio management services will be either invoiced or debited from the Client's</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II

Applicant: Calton & Associates, Inc.	SEC File Number: 801- 70036	Date: 03/18/2011
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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Calton & Associates, Inc.	IRS Empl. Ident.No.: 59-2845944
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Item of Form (identify)	Answer
Item 1.D. (continued)	<p>account as agreed to by the Client. Portfolio management fees that are debited are paid by the qualified custodian holding the Client's funds and securities. The Client will provide written authorization permitting the fees to be paid directly from the account. On an annualized basis, C&A's fees for ongoing portfolio management services, subject to negotiation, range from 1.00% to 2.50%.</p> <p>C&A may allow accounts of members of the same household to be aggregated for purposes of meeting the minimum account size or fee breakpoints. C&A may allow such aggregation, for example, where the Firm services accounts on behalf of children of current Clients, individual and joint accounts for a spouse, and other types of related accounts.</p> <p>If the disclosure brochure - Part II of the Form ADV - is not delivered to the Client within 48 hours prior to the Client entering into the portfolio management agreement, the Client may terminate the agreement within five business days of the date of acceptance without penalty. If the Client received the disclosure documents 48 hours in advance or if the five-day grace period has expired, either party may terminate the agreement upon 30 days' written notice to the other party. The management fee will be pro-rated for the quarter in which the cancellation notice was given. Any unearned fee will promptly be refunded to the Client.</p> <p><u>Investnet Asset Management Program</u> C&A will utilize the Investnet Asset Management Program (the "Program") offered by Investnet Asset Management, Inc, ("Investnet") a federally registered investment adviser. C&A shall assist the Client with the initial selection of one of more separate account managers available through the Program to manage the Client's assets.</p> <p>Through the Program, Client assets may be invested (i) in separate accounts managed by other investment advisers, as sub-managers ("Sub-Managers"), pursuant to agreements entered into by Investnet and Sub-Managers ("Separately Managed Account Program Assets"); (ii) in a single account managed by the Platform Manager pursuant to the directions of one or more Sub-Managers ("MMA Program Assets" and "Manager Blend Program Assets"); (iii) in a single account for a portfolio customized by Advisor and managed by Platform Manager pursuant to the directions of one or more Sub-Managers ("UMA Program Assets"); (iv) in mutual funds and/or exchange-traded funds ("ETFs") available through the Program ("<i>Wrap Program Assets</i>") managed directly by Investnet or using one or more investment models available under the Program that were created by one or more independent investment advisers (the "Model Providers"); (v) in mutual funds and/or ETFs managed by Advisor ("<i>Advisor Directed Models</i>"); or (vi) in alternative investment products available through the Program ("<i>Alternative Investment Product Assets</i>").</p> <p>Once selected, C&A will monitor Client accounts managed under the Program on an on-going basis and shall have the discretion to add, remove and change Sub-Managers as well as change the allocation of assets among Sub-Mangers based on the Client's stated investment needs, goals and objectives. C&A will provide each Client using the Program with a copy of Investnet's disclosure document. Clients will also be provided with separate disclosure documents for each independent Sub-Manager managing a separate account for the Client. In addition, if the investment program recommended to a client is a wrap fee program, the client will also receive the Schedule H or equivalent wrap fee brochure provided by the sponsor of the program.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
Calton & Associates, Inc.	801- 70036	03/18/2011

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Calton & Associates, Inc.	IRS Empl. Ident.No.: 59-2845944
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Item of Form (identify)	Answer
Item 1.D. (continued)	<p>The annual fee payable to C&A is billed quarterly in advance based on the market value of the assets on the last day of the preceding quarter. Fees will be assessed pro rata in the event the client agreement is executed at any time other than the first day of a calendar quarter. The Envestnet Account will be subject to C&A's advisory fee schedule stated above, but may be negotiable on a case by case basis.</p> <p>Separate and apart from C&A's advisory fee, Envestnet will charge the Client an advisory fee that is established and payable in accordance with Envestnet's disclosure document and any written agreements the Client is required to enter into to utilize the Envestnet platform.</p> <p>Clients will be required to sign a tri-party agreement directly with the Firm and Envestnet. The client, the Firm or Envestnet, in accordance with the provisions of the agreement, may terminate the advisory relationship. Any fees paid by Client shall be refunded to Client, but Client shall be responsible for any transactions executed prior to Advisor's receipt of the written cancellation notice.</p> <p>FINANCIAL PLANNING SERVICES</p> <p>C&A offers broad-based, modular, and consultative financial planning services, which may include, but is not limited to, the following: wealth management planning, retirement planning, business/succession planning, and insurance/risk management planning. Broad-based financial planning services will typically involve providing a variety of services, principally advisory in nature, to Clients regarding the management of their financial resources based upon an analysis of their individual needs. An IAR of C&A may conduct a complimentary initial consultation; thereafter, if the Client decides to engage the Firm for financial planning services, an IAR of C&A may conduct follow up meetings as necessary, during which pertinent information about the Client's financial circumstances and objectives is collected. Once the Client's information has been reviewed and analyzed, the Firm provides its Clients with a financial plan – designed to achieve the Client's stated financial goals and objectives. Where Clients only require advice on a single aspect of the management of their financial resources, C&A offers financial plans in a modular format and/or general consulting services that address only those specific areas of interest or concern.</p> <p>Financial plans are based on the Client's financial situation at the time the plan is presented and are based on financial information disclosed by the Client to the Firm. Clients are advised that certain assumptions may be made with respect to interest and inflation rates and use of past trends and performance of the market and economy. Past performance is in no way an indication of future results. C&A does not offer any guarantees or promises that the Client's financial goals and objectives will be met. As the Client's financial situation, goals, objectives, or needs change, the Client must notify the Firm promptly.</p> <p>C&A may also offer ongoing financial planning services, which may include one or more of the following services: update financial plans as needed; provide periodic performance reports; meet with the clients periodically. The annual fees charged for this service are billed on a quarterly basis.</p> <p>C&A charges either a fixed or hourly fee for financial planning services, which is negotiable based on the complexity and scope of the plan, the Client's financial situation, and the Client's objectives. The scope of these services, the fees, and the terms of the agreement for these services will be negotiated on a case-by-case basis with each Client.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
Calton & Associates, Inc.	801- 70036	03/18/2011

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Calton & Associates, Inc.	IRS Empl. Ident.No.: 59-2845944
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Item of Form (identify)	Answer
Item 1.D. (continued)	<p>If the disclosure brochure - Part II of the Form ADV - is not delivered to the Client within 48 hours prior to the Client entering into the financial planning agreement, the Client may terminate the agreement within five business days of the date of acceptance without penalty. Where the Client has received the disclosure documents 48 hours in advance or if the five-day grace period has expired, either party may terminate the agreement upon written notice to the other party. Any unearned fees will be refunded to the Client.</p> <p>SELECTION OF OTHER FIRMS C&A may recommend that Clients utilize the services of a third party investment adviser ("TPA") to manage a portion of, or their entire portfolio. All TPAs that the Firm recommends to its Clients must be registered as investment advisers with either the Securities and Exchange Commission or with the appropriate state authority(ies) and must be pre-approved by C&A .</p> <p>After gathering information about the Client's financial situation and objectives, an Investment Adviser Representative ("IAR") of C&A will make recommendations regarding the suitability of a TPA or investment style based on, but not limited to, the Client's financial needs, investment goals, tolerance for risk, and investment objectives. Upon selection of a TPA(s), C&A will monitor the performance of the TPA(s) to ensure their performance and investment style remains aligned with the investment goals and objectives of the Client.</p> <p>C&A will share in the fee paid by the Client to the TPA. Clients who are referred to TPAs will receive full disclosure, including services rendered and fee schedules, at the time of the referral by delivery of a copy of the relevant TPA's Form ADV Part II or equivalent disclosure document. In addition, if the investment program recommended to a Client is a wrap fee program, the Client will also receive the Schedule H or equivalent wrap fee brochure provided by the sponsor of the program.</p> <p>Fees paid by the Client to the TPA are established and payable in accordance with the Form ADV Part II or other equivalent disclosure document provided by each TPA to whom the Client is referred and these fees may or may not be negotiable. Such compensation may differ depending upon the individual agreement C&A has with each TPA. As such, C&A or its IARs may have an incentive to recommend one TPA over another TPA with whom it has less favorable compensation arrangements or other advisory programs offered by TPAs with which it has no compensation arrangements.</p> <p>Clients may be required to sign an agreement directly with the TPA(s) selected. The Client, the Firm or the TPA, in accordance with the provisions of those agreements, may terminate the advisory relationship. If the TPA is compensated in advance, the Client will typically receive a pro rata refund of any prepaid advisory fees upon termination of an advisory agreement.</p> <p>PENSION CONSULTING SERVICES C&A may offer pension consulting services to employee benefit plans the plan sponsors (the "Client") based upon an analysis of the needs of the plan. In general, these services may include an existing plan review, formation of the investment policy statement, asset allocation advice, investment performance monitoring, and/or communication and education services where the Firm will assist the Client in providing meaningful information regarding the retirement plan to its participants. Additionally, C&A may offer the Client assistance in setting up a relationship with a third party administrator and processing enrollment forms. However, C&A will not have discretion over the administration of the plan or the plan assets. Advice to plan participants will be limited to general, impersonal advice.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
Calton & Associates, Inc.	801- 70036	03/18/2011

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Calton & Associates, Inc.	IRS Empl. Ident.No.: 59-2845944
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Item of Form (identify)	Answer
Item 1.D. (continued)	<p>The scope of these services, the fees, and the terms of the agreement for these services will be negotiated on a case-by-case basis with each Client depending upon the complexity of the plan and the agreement with the Client. Typically, the fees will be based on the Firm's hourly rate plus the Firm's expenses and fees will be due as invoiced. The terms regarding payment of fees, termination, and refund will be clearly set forth in the agreement executed between the Firm and the Client.</p> <p>These accounts are regulated under the Employee Retirement Income Securities Act ("ERISA"). C&A will provide consulting services to the Client as described above. The Client must make the ultimate decision as to retaining the services of such investment advisers as the Firm recommends. The Client is free to seek independent advice about the appropriateness of any recommended services for the plan.</p> <p>Plan participants who wish to engage C&A for individualized planning services and fees may do so by executing a separate agreement with C&A.</p> <p>If the disclosure brochure - Part II of the Form ADV - is not delivered to the Client at least 48 hours prior to entering into the pension consulting agreement, the Client may terminate the agreement for services within five business days of execution without penalty. If the Client received the disclosure documents 48 hours in advance, or if the five-day grace period has expired, either party may terminate the pension consulting agreement upon 30-day written notice to the other. The plan will incur a pro rata charge for bona fide pension consulting services rendered prior to such termination. If applicable, any pre-paid, unearned fees will be promptly refunded to the Client.</p> <p>General Information on Advisory Services and Fees C&A does not represent, warrant, or imply that the services or methods of analysis employed by C&A can or will predict future results, successfully identify market tops or bottoms, or insulate Clients from losses due to market corrections or declines.</p> <p>C&A shall never have custody of any Client funds or securities, as the services of a qualified and independent custodian will be used for these asset management services. Advice offered by C&A may involve investments in mutual funds. Clients are hereby advised that all fees paid to C&A for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. Further, there may be transaction charges involved with purchasing or selling of securities. C&A does not share in any portion of the brokerage fees/transaction charges imposed by the custodian holding the Client funds or securities. The Client should review all fees charged by mutual funds, C&A, and others to fully understand the total amount of fees to be paid by the Client.</p>
Item 3.L.	<p>TYPES OF INVESTMENTS C&A reserves the right to advise Clients on any other type of investment deemed appropriate based on the Client's stated goals and objectives. C&A may also provide advice on any type of investment held in a Client's portfolio at the inception of the advisory relationship or on any investment for which the Client requests advice.</p> <p>Where appropriate, C&A may recommend and manage portfolios consisting of short leveraged ETFs, options, and margin. Clients participating in these types of portfolios will receive additional disclosure information regarding the risks involved with these types of investments.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
Calton & Associates, Inc.	801- 70036	03/18/2011

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Calton & Associates, Inc.	IRS Empl. Ident.No.: 59-2845944
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Item of Form (identify)	Answer
Item 4. A. (5), 4.B.(8) 4. C. (7)	<p>METHODS OF ANALYSIS AND INVESTMENT STRATEGIES C&A may refer Clients to third party advisers who will provide advice to Clients in accordance with the relevant program provided by the third party adviser. As disclosed above, C&A will assist Clients in selecting third party advisers whose investment programs and strategies have been reviewed by C&A and determined appropriate for C&A's Clients based on their individual circumstances and investment goals. Each third party adviser has its own investment strategies, which may vary among advisers. Clients should refer to the third party adviser's Form ADV Part II or equivalent disclosure document for additional information.</p> <p>C&A employs a variety of investment strategies customized to each Client's time horizon, lifestyle, and investment objectives. Such strategies may vary from Client to Client depending on individual Client circumstances and portfolio manager.</p>
Item 5.	<p>EDUCATION AND BUSINESS STANDARDS IARs of C&A must meet all examination or experience requirements of the states/jurisdictions in which the individual provides advisory services.</p>
Item 6.	<p>EDUCATION AND BUSINESS BACKGROUND</p> <p>Dwayne K. Calton <i>Year of Birth:</i> 1954 <i>Formal Education/Licenses:</i></p> <ul style="list-style-type: none"> • Attended Central Michigan University and University of Arizona • Registered Investment Advisor (Series 66) • General Securities License (Series 7) General Securities Principal (Series 24) Also Series 4, 27, 52, 53, 55, Licensed <p><i>Business Background for the Previous Five Years:</i></p> <ul style="list-style-type: none"> • Calton & Associates, Inc., President/Investment Banker, 09/1987 – Present. <p>Robert B. Greblunas <i>Year of Birth:</i> 1945 <i>Formal Education/Licenses:</i></p> <ul style="list-style-type: none"> • Attended New York Institute of Technology, The New York Institute of Finance • Registered Investment Advisor (Series 65) • General Securities License (Series 7) General Securities Principal (Series 24) Branch Mangers License (Series 8) <p><i>Business Background for the Previous Five Years:</i></p> <ul style="list-style-type: none"> • Calton & Associates, Inc., Vice President/Chief Compliance Officer/Investment Committee Member/Registered Representative, 03/1999 – Present. • Prudential Securities, Inc., Assistant Vice President, 12/1988 – 10/1998. <p>George G. Harrington, Jr. <i>Year of Birth:</i> 1927 <i>Formal Education/Licenses:</i></p> <ul style="list-style-type: none"> • University of Texas, B.A, 1949 • General Securities License (Series 7) General Securities Principal (Series 24) Also Series 6, 52, 53, 63, Licensed • Licensed to sell Life, Health, and Variable Life and Annuity Insurance Products <p><i>Business Background for the Previous Five Years:</i></p> <ul style="list-style-type: none"> • Calton & Associates, Inc., Vice President/Treasurer/Member of the Board of Directors, 09/1987 – Present.

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Item of Form (identify)	Answer
Item 6. (continued)	<p>Dominick Calderazzo <i>Year of Birth:</i> 1948 <i>Formal Education/Designations/Licenses:</i></p> <ul style="list-style-type: none"> • Attended University of South Florida • Attended Hillsborough Community College • Accredited Investment Fiduciary (AIF) Professional Designation, 2007 • Registered Financial Consultant (RFC), Professional Designation 2008 • Registered Investment Advisor (Series 66) • General Securities License (Series 7) • General Securities Principal (Series 24) • State of Florida Life, Health & Variable Annuity License <p><i>Business Background for the Previous Five Years:</i></p> <ul style="list-style-type: none"> • Calton & Associates, Inc., Registered Representative/Investment Committee Member 01/1995 – Present. <p>Derek J. Calton <i>Year of Birth:</i> 1961 <i>Formal Education/Licenses:</i></p> <ul style="list-style-type: none"> • University of Arizona, Attended • General Securities License (Series 7) General Securities Principal (Series 24) Also Series 4, 53, 63, Licensed • Licensed to sell Life and Variable Life and Annuity Insurance Products <p><i>Business Background for the Previous Five Years:</i></p> <ul style="list-style-type: none"> • Calton & Associates, Inc., Vice President/Secretary/Member of the Board of Directors, 09/1987 – Present. <p>Joseph R. Haydel, Jr. <i>Year of Birth:</i> 1951 <i>Formal Education/Licenses:</i></p> <ul style="list-style-type: none"> • Millsaps College, Else School of Management, M.B.A., Finance, 1985. • University of Southern Mississippi, B.S., 1975. • General Securities License (Series 7) General Securities Principal (Series 24) <p><i>Business Background for the Previous Five Years:</i></p> <ul style="list-style-type: none"> • Calton & Associates, Inc., Vice President/Secretary/Member of the Board of Directors, 09/1987 – Present.
Item 7.A.,B.,C., Item 8.A., & Item 9.B.	<p>OTHER BUSINESS ACTIVITIES/OTHER FINANCIAL INDUSTRY ACTIVITIES OR AFFILIATIONS/ PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS</p> <p>C&A is in the business of purchasing other investment advisors. Certain acquired investment advisors may be "rolled up" into C&A.</p> <p>C&A is a registered securities broker-dealer and a member of FINRA and the SIPC. As an introducing broker, C&A engages in retail securities transactions for investment advisory and non-investment advisory Clients, along with certain other activities normally associated with a broker dealer. The principal business of C&A is the sale of securities.</p> <p>Principals and Investment Advisory Representatives ("IARs") of C&A may also be separately licensed as registered representatives of C&A As such, associated persons of C&A spend the majority of their professional time conducting brokerage business of C&A In their separate capacities as registered representatives, such individuals will effect</p>

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Item of Form (identify)	Answer
Item 7.A.,B.,C., Item 8.A., & Item 9.B. (continued)	<p>securities transactions, and will receive separate, yet customary compensation for effecting securities transactions, including 12b-1 fees for the sale of investment company products.</p> <p>In its capacity as a broker dealer, C&A may effect securities transactions for compensation for advisory and non-advisory Clients of C&A. C&A may place securities transactions with C&A in its capacity as a broker dealer. Transactions will be placed consistently with the objective of negotiating the best execution available. While net price is a major consideration in best execution, the Firm will also take into account the quality of brokerage services, confidentiality, financial stability, and responsiveness, among others. C&A also holds an insurance producer license, whereby it can offer insurance products from a variety of product sponsors. Registered representatives, who are also IARs, of C&A in its capacity as a registered investment adviser and insurance producer, may make differing recommendations with respect to the same securities or insurance products to different advisory Clients. All recommendations made by IARs are specific to each Client's individual needs and current financial situation.</p> <p>Please refer to Item 13.A. below, for additional disclosures related to associated persons of C&A and the receipt of compensation for effecting securities transactions in their separate capacities as registered representatives.</p>
Item 9.A.	Acting in its capacity as a broker dealer, C&A may participate in principal transactions, where the Firm buys and/or sells securities from its own inventory to brokerage Clients.
Item 9.D.	When reviewing an advisory Client's investment objectives, C&A may recommend an investment in a Limited Partnership or similar type product (REITS). At that time, C&A explains in writing and discusses with the Client the differences in the investment process and risk profile between an individually managed account and the partnerships. The C&A will not charge any commissions for the purchase of these products if purchased under the management agreement.
Item 9.E.	<p>Possible changes in fees and expenses are explained and the Client is furnished a copy of the Offering Memorandum of the partnership or similar product being recommended by C&A. C&A may purchase securities for Clients that are also purchased for the Southwest PC2 program.</p> <p>C&A or individuals associated with C&A may buy or sell – for their personal account(s) - investment products identical to those recommended to Clients. It is the expressed policy of C&A that employees shall not have priority in any purchase or sale over Clients' accounts.⁽¹⁾⁽²⁾</p> <p>The Firm has adopted a Code of Ethics, the full text of which is available to Clients upon request. C&A has several goals in adopting this Code. First, the Firm desires to comply with all applicable laws and regulations governing its practice, and the management of C&A has determined to set forth guidelines for professional standards, under which all associated persons of the Firm are to conduct themselves. C&A has set high standards, the intention of which is to protect Client interests at all times and to demonstrate its commitment to its fiduciary duties of honesty, good faith and fair dealing with Clients. All associated persons are expected to adhere strictly to these guidelines, as well as the procedures for approval and reporting established in the Code of Ethics primarily related to personal securities transactions, and violations of the Code. In addition, C&A maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by</p>

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Continuation Sheet for Form ADV Part II**

Applicant: Calton & Associates, Inc.	SEC File Number: 801- 70036	Date: 03/18/2011
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Item of Form (identify)	Answer
Item 9.E. (continued)	<p>C&A or any person associated with the Adviser.</p> <p>Footnotes:</p> <p>(1) This investment policy has been established recognizing that some securities being considered for purchase and/or sale on behalf of C&A's Clients trade in sufficiently broad markets to permit transactions by Clients to be completed without an appreciable impact on the markets of the securities. Under certain circumstances, exceptions may be made to the policies stated above. Records of these trades, including the reasons for the exceptions, will be maintained with C&A's records in the manner set forth above.</p> <p>(2) The foregoing does not apply to certain types of securities, such as obligations of the U.S. Government, and shares in open-end mutual funds. Open-end mutual funds are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase or redemption. As such, transactions in mutual funds by Advisory Representatives are not likely to have an impact on the prices of the fund shares in which Clients invest.</p>
Item 10.	<p>CONDITIONS FOR MANAGING ACCOUNTS</p> <p>Portfolio Management</p> <p>Generally, each Client must represent and warrant that either (a) the value of the Client's account initially is at least \$100,000 or (b) the Client's net worth, which may include assets held jointly with a spouse, is more than \$500,000.00. However, Advisor may accept Clients with smaller accounts and/or lower net worth.</p>
Item 11.A. & B.	<p>REVIEW OF ACCOUNTS AND REPORTS TO CLIENTS</p> <p>It is C&A's policy that all investment advisors and reps will act in the best interest of their Clients, to this end all reviews should be made with the Client's best interest.</p> <p>All accounts must be monitored by the investment adviser representative assigned to the account either on an ongoing or periodic basis as agreed upon with the Client. Monthly oral progress reports are recommended. Annual written performance reports are recommended. A Client may request an oral or written report at any time. Additionally, all accounts will be monitored under current FINRA/SEC Broker-Dealer guidelines. Spot checks will occur by any member of the investment committee. The initial investment advisory account form must be approved by a Principal of the company. All FINRA suitability standards must be met before an investment can be made. A member of the investment committee must verify investment advisory account information and approve any recommended advice before account can be opened. The minor reviewing body will be made up of individual registered investment advisors of C&A. They will be responsible for normal maintenance and review of their own accounts on a monthly basis. The major reviewing body will be made of the investment committee; Dwayne K. Calton-President, Dominick Calderazzo - Associate and Robert B. Greblunas-Vice-President. The major reviewing body reviews transactions in each Client account on an ongoing basis and conducts account reviews annually.</p> <p>Clients will receive monthly and/or quarterly reports from the custodian holding their funds and securities.</p>
Item 12.A. (1),(2),(3),(4)	<p>INVESTMENT OR BROKERAGE DISCRETION</p> <p>Generally, Clients grant C&A complete discretion over the selection and amount of securities to be bought or sold, the broker or dealer to be used, and the commission rates to be paid for their account without obtaining their prior consent or approval. However, the Firm's investment authority may be subject to specified investment objectives, guidelines, and/or conditions imposed by the Client. For example, a Client may specify that the</p>

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Applicant:	SEC File Number:	Date:
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Item of Form (identify)	Answer
Item 12.A. (1),(2),(3),(4) (continued)	investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry. Clients may amend these limitations as required. Such amendments must be submitted in writing. In limited circumstances, where C&A manages an account on a non-discretionary basis, the Firm will seek Client approval prior to implementing changes in the Client account.
Item 12.B.	<p>SUGGESTION OF BROKERS</p> <p>C&A will recommend that Clients in need of brokerage and/or custodial services utilize the facilities of Calton & Associates, Inc. in its capacity as broker/dealer and Southwest Securities, Inc. ("SWS") as custodian for their account. C&A suggests its brokerage facilities because of its execution capability through Southwest Securities, Inc., competitive commission rates, and to facilitate the trading and management of Clients' accounts by having the majority of Client accounts resident at same brokerage firm.</p> <p>C&A may also recommend Interactive Brokers, TD Ameritrade, Trust Company of America, or Foliofn for brokerage and/or custodial services, among others, for brokerage and/or custodial services. It may be the case that the recommended broker charges a higher fee than another broker charges for a particular type of service, such as commission rates. Clients may utilize the broker/dealer of their choice They have no obligation to purchase or sell securities through such broker as the Firm recommends.</p> <p>Clients who have engaged the services of third party investment advisers as described in Item 1.D. above, under "Selection of Other Firms," will be required to use the brokerage and/or custodial services of firms recommended by the third party investment adviser.</p> <p>In selecting a broker dealer C&A will endeavor to select those brokers or dealers that will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on several factors, including the broker's ability to provide professional services, competitive commission rates, volume discounts, execution price negotiations, and other services.</p> <p>IARs of C&A who are registered representatives are subject to various rules, which may restrict such registered individuals from conducting securities transactions away from C&A and its clearing broker. Therefore, Clients are advised that IARs of C&A may be limited to conducting securities transactions through C&A and its clearing firm. Clients are advised that lower commissions and fees may be available from other brokers. Clients may utilize the broker dealer of their choice and have no obligation to purchase or sell securities through C&A.</p> <p><i>Directed Brokerage</i></p> <p>Where Clients instruct C&A to use one or more particular brokers for the transactions in their accounts. Clients who may want to direct the Firm to use a particular broker dealer should understand that their direction may prevent the Firm from aggregating orders with other Clients or from effectively negotiating brokerage compensation on their behalf, and they may even prevent the Firm from obtaining the most favorable net price and execution. Thus, in directing brokerage business, those Clients should consider whether the commission expenses, execution, clearance, and settlement capabilities, they will obtain through their directions are adequately favorable in comparison to those that C&A would otherwise provide or obtain for its Clients to justify their direction of brokerage business.</p>

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Applicant: Calton & Associates, Inc.	SEC File Number: 801- 70036	Date: 03/18/2011
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Item of Form (identify)	Answer
Item 13.A.	<p>ADDITIONAL COMPENSATION</p> <p>As previously disclosed in Items 7, 8, and 9 above, C&A is registered as a broker dealer and, as such, employs registered representatives to act as agents on behalf of C&A in that capacity. C&A also holds an insurance producer license, whereby it can offer insurance products from a variety of product sponsors. C&A and its registered representatives can effect transactions in securities, investment company products, and/or insurance products for its Clients and earn compensation for these activities. Such compensation may include commissions and/or 12b-1 fees for the sale of investment company products. In addition, in its capacity as a broker dealer, C&A may earn interest on certain money market cash balances of investment advisory accounts held by SWS.</p> <p>C&A expects that Clients of its investment adviser entity will also be Clients of C&A in its capacity as a broker dealer. Clients are instructed that they are under no obligation to use the services of C&A, or any of its registered representatives for brokerage or insurance products and/or services; and that the fees charged by C&A for advisory services are separate and distinct from any fees charged to the Clients for brokerage or insurance products and/or services.</p> <p>C&A may receive certain benefits from recommended broker-dealer/custodians. These benefits do not depend on the amount of transactions directed by the C&A to the broker-dealer/custodian. These benefits may include: A dedicated trading desk that services our Clients, a dedicated service group and an account services manager dedicated to the C&A's accounts, access to a real time order matching system, ability to block Client trades, electronic download of trades, balances and positions in the broker-dealer/custodian's portfolio management software, access to an electronic interface with broker-dealer/custodian's software, duplicate and batched Client statements, confirmations and year-end summaries, and the ability to have advisory fees directly debited from Client accounts (in accordance with federal and state requirements.)</p>
Item 13.B.	<p>COMPENSATION FOR CLIENT REFERRALS</p> <p>C&A or its IARs may obtain referrals from other persons and pay referral fees to such persons. The payment of the fee to the solicitor does not result in additional fees to the Client, and the advisory fee charged is made on the same basis as for Clients that were not obtained through a solicitor's referral. If the Client has been obtained through a solicitor's referral, the Client receives a written disclosure of the arrangements between the solicitor and the C&A. In addition, C&A or its IARs may provide advice with respect to Client selection and monitoring of third-party investment advisers from whom C&A or its IARs receive referral fees in accordance with applicable legal requirements. All such solicitor or referral arrangements shall be conducted in accordance with Section 206(4)-3 of the Investment Advisers Act of 1940, or similar state law.</p> <p>MISCELLANEOUS</p> <p><i>Aggregation of Orders</i></p> <p>C&A has a policy of aggregating trades for Client accounts in the same security. Aggregated orders may include transactions for registered investment companies, employee benefit plans and private investment vehicles (e.g. limited partnerships or limited liability companies) in which C&A's principals or employees are among the investors. To ensure the fair aggregation and allocation of securities purchased for all Client accounts, accounts in which principals or employees have a beneficial interest are not given favorable treatment. All Clients receive the average execution price for each bunched order. Client accounts that use C&A as their prime broker-dealer receive a <i>pro rata</i> allocation of the total</p>

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Item of Form (identify)	Answer
	<p>transaction cost. Client accounts that use C&A as their prime broker-dealer do not always receive a <i>pro rata</i> allocation of the total transaction cost, in situations where a bunched order is only partially filled by the executing broker-dealer, C&A allocates the order to all participating accounts on a <i>pro rata</i> basis.</p> <p>To the extent brokerage transactions are placed with a particular or preferred broker, there may be limitations on C&A's ability to negotiate commissions, obtain volume discounts, aggregate Client orders and seek execution of transactions as efficiently as possible and at the best price. Under these circumstances a disparity of commission charges may exist between the commissions charged to C&A's other Clients.</p> <p><i>Privacy Notice</i> Protecting its customers' private information is important to C&A. Therefore, the Firm has instituted policies and procedures to ensure that customer information is kept private and secure. C&A does not disclose any non-public personal information about its customers or former customers to any non-affiliated third parties except as required by or permitted by law. In the course of servicing a Client's account, C&A may share some information with its service providers, such as transfer agents, custodians, broker dealers, accountants, consultants, and attorneys. C&A restricts internal access to non-public personal information to those employees who need access to such information in order to provide products or services to a particular Client. C&A also maintains physical, electronic, and procedural safeguards to protect Client information.</p> <p>A copy of the Firm's privacy policy notice will be provided to each Client prior to, or contemporaneously with, the execution of the advisory agreement. Thereafter, C&A will deliver a copy of the current privacy policy notice to its Clients annually.</p> <p><i>Proxy Voting</i> In certain circumstances, and in accordance with the Client's specific advisory agreement, C&A shall vote proxies related to securities held by any Client in a manner that is in the best interest of the Client. C&A shall consider only those factors that relate to the Client's investment(s) or that are established by the Client's written instructions. Such factors will include how its vote will economically impact and affect the value of the Client's investment (keeping in mind that, after conducting an appropriate cost-benefit analysis, not voting at all on a presented proposal may be in the best interest of the Client.)</p> <p>Proxy votes generally will be cast in accordance with the following principles:</p> <ul style="list-style-type: none"> ▪ Votes will at all times be directed toward maximizing the value of the Client's investment as an owner; ▪ C&A generally votes against any proposal that is likely to dilute the value of an issuer's common stock. Examples of such items would be restrictions against cumulative voting, establishment of different classes of stock, or any activity that could be viewed as a "poison pill" maneuver. ▪ On other matters specific to a company, such as election of directors, appointment of auditors, granting and repricing of options, mergers and other material issues, a decision shall be made in conjunction with the primary analyst responsible for evaluating that company, consistent with the policy of maximizing value. C&A evaluates company management before deciding to own a security and gives

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	<p>weight to management recommendations on material issues with the goal of maximizing shareholder value over the long term.</p> <ul style="list-style-type: none"> ▪ The same security will be voted identically across all similarly situated Client accounts except for the Socially Responsible Investing accounts, (SRI), which may cast individual ballots not identically. <p>In voting on each and every issue, C&A and its employees shall vote in a prudent and timely fashion and only after a careful evaluation of the issue(s) presented on the ballot.</p> <p>In exercising its voting discretion, C&A and its employees shall avoid any direct or indirect conflict of interest raised by such voting decision. If the Chief Investment Officer believes that there is any potential material conflict of interest for the firm on a particular proxy vote, it is to be turned over to the Investment Oversight Committee for the voting decision.</p> <p>Consistent with SEC Rule 206(4)-6, C&A will keep certain records required by applicable law in connection with its proxy voting activities for Clients and shall provide proxy-voting information to Clients upon their written or oral request. A copy of C&A's proxy-voting policies and procedures are available to Clients upon request.</p> <p><i>Class Action Lawsuits</i></p> <p>From time to time, securities held in the accounts of Clients will be the subject of class action lawsuits. The Firm has no obligation to determine if securities held by the Client are subject to a pending or resolved class action lawsuit. It also has no duty to evaluate a Client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, the Firm has no obligation or responsibility to initiate litigation to recover damages on behalf of Clients who may have been injured as a result of actions, misconduct or negligence by corporate management of issuers whose securities are held by Clients.</p> <p>Where the Firm receives written or electronic notice of a class action lawsuit, settlement or verdict affecting securities owned by a Client, it will forward all notices, proof of claim forms and other materials, to the Client. Electronic mail is acceptable where appropriate, and the Client has authorized contact in this manner.</p>

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