

ButtonWood Advisors, LLC



It's not what you make...it's what you keep

An Arizona Registered Investment Advisor

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Form ADV Part 2 March 28, 2011

This brochure provides clients and prospective clients with information about ButtonWood Advisors, LLC and the qualifications, business practices, and nature of its services that should be carefully considered before becoming an advisory client.

The contents of this brochure have not been approved or verified by the U.S. Securities and Exchange Commission ("SEC") or any other state or federal governmental authority. While the firm and its associates may be registered with the State of Arizona or other jurisdictions, it does not imply a certain level of skill or training on the part of the firm or its associated personnel.

Questions relative to the firm, its services, or this ADV Part 2 may be made to the attention of Mr. Vic Hess at (520) 638-8718. Additional information about the firm, other advisory firms, or associated investment advisor representatives is available on the Internet at www.adviserinfo.sec.gov.

Material Changes: Pursuant *SEC Release IA-3060*, the firm has amended the format of its advisory brochure since its previous version of Form ADV Part II dated October 13, 2010. Although the document content, disclosures, and advisory fees have generally remained the same, the firm has enhanced its disclosure with respect to risks involving the firm’s strategies and investment selection (*see Section 5*) and its policies involving employee personal trading (*see Section 8*).

Clients and prospective clients are encouraged to review this document in its entirety.

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Important Note: Throughout this document, ButtonWood Advisors, LLC may be referred to by the following terms: “the firm,” “we,” “us,” or “our.” The client or prospective client may be referred to as: “you,” “your,” etc.

***This Brochure contains 28 pages, including Section 16 – Advisory Personnel.
This document is not complete without all pages.***

Section 1 - Advisory Business

About Our Firm

ButtonWood Advisors, LLC is an Arizona-domiciled registered investment advisor that provides fee-only financial planning and investment consultation services. In addition to our registration as an investment advisor in Arizona, our firm and its associates may register or meet certain exemptions to registration in other states in which we conduct business. Since our firm's inception in 2003, Mr. Victor Hess (noted in Section 16) has been our majority shareholder and also serves as its principal (supervisor).

We hold ourselves to a *fiduciary standard*, which means our firm and its associates will act in the utmost good faith and perform in a manner believed to be in the best interest of our clients. As investment advisors we are required to put you -- the client -- first. We feel this sets us apart from other firms that may be held to a, perhaps lesser, *suitability* standard and may not be required under current regulation to place clients' interests ahead of their own or to disclose their conflicts of interest involving their clients' transactions.

Approximately 60% of our firm's advisory activities involve providing continuous supervision and management of our client assets (we term *investment supervisory services*); 25% furnishing investment advice through consultations that do not include continuous management of an account (*investment consultation*); 15% of our effort is oriented toward *financial planning services* involving expense budgeting and savings; education, insurance, charitable and estate planning, among others. As of December 31, 2010, our firm has approximately \$5 million of client assets under its management.

Our Services

A complimentary interview is conducted by a qualified representative of our firm to determine the scope of services to be provided. During or prior to this meeting, we will provide you with our current ADV Part 2 brochure that incorporates our Privacy Policy.

Should you wish to engage our firm, we must enter into a written agreement; thereafter discussion and analysis will be conducted to determine your financial need, goals, holdings, etc. It is important that the information or financial statements you provide are accurate. We may (but are not obligated to) verify the information you have provided and that will be used in the planning or advisory process.

Financial Planning Services

Advice may be provided on such subjects as cash flow analysis, retirement capital needs, education funding, tax strategies and estate planning, or other specific needs as you may request. Our financial planning services may be broad-based or more narrowly-focused as you desire. Note that when these services focus only on certain areas of your interest or need, however, your overall financial situation or needs may not be fully addressed due to limitations you may have established.

Investment Consultation Services

Our investment consultation services may involve providing information on the types of investment vehicles available; investment analysis and strategies, asset selection, as well as assisting you in establishing your own investment account at a selected broker/dealer or custodian of your choosing or with specific transactions if you prefer.

You will retain full discretion over all implementation decisions and are free to accept or reject any recommendation we make. Further, it remains your responsibility to promptly notify us if there is any change in your financial situation or investment objectives for the purpose of our reviewing, evaluating, or revising previous recommendations and/or services.

Workshop Presentations

We may provide educational workshops on an “as announced” basis for groups desiring general advice on investments and personal finance. Topics may include issues related to wealth management, financial planning, retirement strategies, or various other economic and investment topics.

Our workshops are purely educational in nature and do not involve the sale of any investment products. Information presented will not be based on any one person’s need, nor do we provide individualized investment advice to attendees during general sessions.

Selection of Other Investment Advisors

When appropriate for your investment strategy and objectives, we may refer you to unaffiliated third party investment advisors for participation in the third party advisor's directly managed program using model portfolios these firms have developed.

Prior to recommending a third party investment advisor, our firm will conduct an appropriate level of due diligence on the recommended third party investment advisor to include ensuring they are registered or notice-filed in your jurisdiction, and that their strategies align with your goals. These third party advisors manage your account in accordance with the disclosures set forth in their own disclosure brochure and associated documents that will be provided to you in advance of your selection of the third party advisor.

Typically, we gather information about your financial situation, investment objectives and reasonable restrictions you may want to impose on the management of the account. We then provide this information to the third party investment advisor whom prepares an investment proposal and/or investment policy statement for you to consider employing through their firm. You are free to accept or reject our referral to this third party advisor as well as selected third party investment advisor itself.

Investment Supervisory Services

Our firm offers customized, discretionary investment supervisory services for accounts maintaining assets of \$1 million or more and where there is a requirement for the inclusion of individual securities, unique asset classes, or other modifications or services not normally available through the third party investment advisors earlier noted.

We will assist in preparing an investment policy statement (IPS), or similar document, reflecting a client's investment objectives, time horizon, risk tolerance, as well as any account constraints. The IPS will be designed to be specific enough to provide ongoing guidance while concurrently allowing flexibility to respond to changing market conditions. Since the IPS will to a large extent be a product of information and data provided by a client, they will be responsible for review and final approval of the statement.

Personal Chief Financial Officer Services

We are also available to act as your Personal or Family Chief Financial Officer. Under this engagement we will provide:

Discovery and Planning Process

- Discover and help to prioritize your short and long term goals and aspirations;
- Identify life transitions that you are or will expect to experience;
- Gather and organize your data and documents;
- Analyze your financial condition, challenges and opportunities as they relate to your goals;
- Develop an investment strategy that attempts to balance your goals and tolerance for volatility;
- Help you with the financial implications of life transitions;
- Provided written recommendations and alternatives to help you achieve stated goals; and
- Help you implement those financial decisions.

Ongoing Financial Advice and Services

- Continuation of helping you prioritize and implement your short and long term goals and aspirations;
- Review your financial plan no less than annually;
- Meet no less that quarterly to review goals and progress;
- Measure both your progress annually in:
 - ✓ Asset Protection
 - ✓ Disability and Income Protection
 - ✓ Debt Management
 - ✓ Investment Planning
 - ✓ Estate Planning
- Asset Management Services;
- Monitor life transactions that you are or expect to experience;
- Ongoing Tax Planning;
- Tax Return Preparation; and
- Strategize and coordinate with your other advisors (attorneys, insurance agents, etc.)

Asset Management Services

- Develop your Investment Policy Statement (IPS);
- Investment selection and execution;
- Regular reporting;
- Rebalancing of your portfolio in accordance with your IPS;

- Tactical reallocation of your portfolio due to changes in the economy, your objectives, or due to the performance of the selected investment manager; and
- Tax-loss harvesting, when appropriate.

General Information

We do not provide legal services. With your consent, we may work with your attorney to assist with the coordination and implementation of accepted strategies. You should be aware they may bill you separately for services and these fees will be in addition to those of our firm.

Our firm will use its best judgment and good faith effort in rendering its services. ButtonWood Advisors, LLC cannot warrant or guarantee any particular level of account performance, or that account will be profitable over time. Past performance is not necessarily indicative of future results.

Except as may otherwise be provided by law, our firm will not be liable to the client, heirs, or assignees for any loss an account may suffer by reason of an investment decision made or other action taken or omitted in good faith by our firm with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; any loss arising from our adherence to your direction or that of your legal agent; or any act or failure to act by a service provider maintaining an account.

Notwithstanding the preceding statement, nothing within our client agreement is intended to diminish in any way our fiduciary obligation to act in your best interest or in any way limit or waive your rights under federal or state securities laws or the rules promulgated pursuant to those laws.

Section 2 - Fees and Compensation¹

Hourly Fees

We provide our financial planning and investment consultation services under an hourly engagement. Prior to entering into this agreement you will receive an estimate of the fee range. Our fee will be based on the estimated number of hours to complete the project, determined by an assessment of your needs, complexity, among other factors, and at our current rate of \$300 per hour. You are billed for the actual time spent by our firm; assessed in six minute increments, and a partial increment will be treated as a whole.

Our firm will require a deposit for initial engagements in the amount of one-half of the estimated fee range. The balance of fees due are payable immediately upon our presentation of the plan or advice to you or your legal agent. Services to be provided and the anticipated fee range are detailed in the written service agreement.

Fees for these services are negotiable at the discretion of our firm principal and comparable services may be provided elsewhere for a lower fee.

¹ButtonWood Advisors, LLC reserves the right to assess a lower fee to its associates and related persons' accounts maintained by the firm through its selected custodian. Although the firm is not obligated to do so, clients that maintain an active engagement agreement with the firm that precedes the date of this brochure may be assessed a lower fee.

Fixed Fee

We also offer our financial planning and investment consultation services under a fixed fee engagement based on our current hourly billing rate and an estimate of the total hours required to complete the project, and considering factors such as the complexity of the your financial profile, value of the overall portfolio, number of individual accounts comprising the portfolio, whether you or our firm will implement transactions, and other such considerations.

We may require a portion of the fee to be paid in advance as a deposit, and the amount will be the lesser of \$500 or one-half of the lower-end of the estimated range. The balance of fees due are payable immediately upon our presentation of the plan or advice to you or your legal agent. Services to be provided and the anticipated fee range are detailed in the written service agreement.

Fees for these services are negotiable at the discretion of our firm principal and comparable services may be provided elsewhere for a lower fee.

Workshops

Our workshop engagements are generally *pro bono* in nature. In the event there is a charge for a workshop, it is anticipated to be paid by the engagement sponsor, such as an employer or association. Fees for these events are typically a fixed fee amount based on the firm's hourly fee and/or cost of workshop materials, and would be negotiated with the sponsor in advance of the presentation.

Third Party Investment Advisor Services and Investment Supervisory Services

Whether you choose to engage our recommended third party investment advisors or ButtonWood Advisors, LLC directly for its customized investment supervisor services, an annualized asset-based fee will be assessed and will be calculated based on the reporting period end value and as noted in the following table.

Assets Under Supervision	Annualized Asset-Based Fee
\$0 - \$150,000	2.0%
\$150,001 - \$400,000	1.65%
\$400,001 - \$750,000	1.25%
\$750,001 - \$1,000,000	1.00%
\$1,000,001 - \$3,000,000	0.75%
\$3,000,001 - \$5,000,000	0.65%
\$5,000,001 - Above	Negotiable

A minimum account fee of \$1,000 per year may be assessed.

Note that while our fees for investment supervisory services fees may be negotiable at the determination of our firm principal, the selected third party investment advisor's fee may or may not be negotiable and will be described in their respective ADV Part 2A. Lower fees for comparable services may be available from other sources.

“Householding” Accounts

We may aggregate or *household* accounts (including multiple accounts) for the same individual; or two or more accounts within the same family, or accounts where a family member has power of attorney over another family member or incompetent person's account. Should, however, investment objectives be substantially different for any two or more household accounts requiring different investment approaches, we do reserve the right to apply our fee schedule separately to each account.

Each third party investment advisor retains the right to assess their fees per their policy, therefore, the determination of *householding* accounts for fee purposes will need to be evaluated on a case-by-case basis.

Billing Cycle and Fee Assessments

Annualized asset-based fees for third party investment advisor and investment supervisory services will be billed quarterly, in advance. Fee payments will be assessed within 10 business days following each calendar billing period.

An account's first billing cycle will occur once the agreement is executed and accounts are funded. This is irrespective of a partial period under our management, however, a partial period will be assessed a pro-rated fee.

For purposes of determining account asset values, securities and other investment instruments traded on a market in which actual transaction prices are publicly reported will generally be valued at the last reported sale price on the principal market in which they are traded. If there are no sales on such date, then they will be determined by the mean between the *closing bid* and *asked price* on that date. Other readily-marketable securities will be valued using a pricing service or through quotations from one or more inter-market dealers. In the absence of a market value, we may seek an independent third party opinion or through a good faith determination by a qualified associate of our firm.

The applicable fees referenced include all fees and charges for the services of our firm and our investment advisor representatives. Investment supervisory services clients will be required to authorize in writing either our firm or the third party investment advisor to allow the selected broker/dealer or custodian (collectively, “service provider”) to deduct advisory fees, any applicable transaction charges, etc., from your account, and all fees will be clearly noted on your statements. You will be sent you a written notice of the fees to be deducted from the account and it will include the total amount of the fee to be deducted as well as the covered time period, calculation formula utilized, and assets under management in which the fee was based.

For those accounts held by a brokerage firm or custodian that our firm does not maintain an agreement, you will be directly billed and fees will be due in full within 20 days of receipt of our firm's invoice.

In all instances, you will share responsibility for verifying the accuracy of fee calculations in your invoice and/or statement.

Further information about our fees in relationship to operational practices with our custodian is noted in Section 9 of this document.

Personal Chief Financial Officer Services

Similar to our investment supervisory services engagement fee structure, the Personal Chief Financial Officer Services fees are paid via an annualized fee calculation and are also due quarterly, in arrears. However, assets under this calculation are based on the client's personal net worth and determined by the year-end value from the previous reportable tax year, and as depicted in the following table.

Assets Under Supervision	Annualized Fee
\$0 - \$1,000,000	1.0%
\$1,000,001 - \$3,000,000	0.75%
\$3,000,001 - \$10,000,000	0.50%
\$10,000,001 - Above	Negotiable

A minimum account fee of \$5,000 per year may be assessed.

Additional Fee Information

Specific product recommendations made by our firm usually involve "no-load" (i.e., no commission) products, if available, or low-load products. In some cases, such as with actively-managed mutual funds and insurance, there may not be a suitable selection of no-load products available for recommendation, however, neither our firm nor our associates will be paid a commission on your purchase.

Any transactional or custodial fees assessed by the selected service providers, individual retirement account fees, or qualified retirement plan account termination fees are borne by you and are as provided in the current, separate fee schedule of the selected service provider. Fees paid to our firm for our services are separate from any charges you may pay for mutual funds, ETFs or other investments of this type. We do not receive "trailer" or SEC Rule 12b-1 fees from any investment company. Fees charged by these issuers are detailed in their prospectuses or product descriptions and you are encouraged to read these documents before investing. Our firm and its associates receive none of these described or similar fees or charges.

Termination of Services

Either party may terminate the agreement at any time, which will typically be in writing. Should you verbally notify our firm of the termination and, if in two business days following this notification we have not received your notice in writing, we will make a written notice of the termination in our records and send you our own termination notice as a substitute.

If you are a new client, you may terminate an agreement with our firm within five business days after the signing of our engagement agreement without penalty or charge. Should you terminate a financial planning or investment consultation engagement after this date, you may be invoiced for any time charges incurred by our firm in the preparation of your plan. In the case of any prepaid fees involving any of our services engagements, we will promptly return any unearned amount.

For investment supervisory services accounts, following termination notice, it will be yours or your legal representative's responsibility to ensure an immediate transfer is completed of any portfolio, account, or account residual to the receiving service provider. Our firm will not be responsible for future allocations, transactional services or investment advice upon receipt of a termination notice.

Section 3 - Performance-Based Fees and Side-By-Side Management

Our fees will not be based upon a share of capital gains or capital appreciation (growth) of any portion of managed funds, also known as "performance-based fees." ButtonWood Advisors, LLC does not use a performance-based fee structure because of the potential conflict of interest this type of fee structure may pose. Performance-based compensation may create an incentive for a firm to recommend an investment that may carry a higher degree of risk to a client.

Side-by-side management refers to a firm simultaneously managing accounts that do pay performance based fees (such as a hedge fund) and those that do not; this type of arrangement, and the conflict of interest it may pose, is also not applicable to our firm's practices.

Section 4 - Types of Clients

We provide our services to individual investors, trusts, estates, charitable organizations, pension and profit sharing plans, and businesses of various scale to assist them in meeting their financial objectives in what is believed to be a cost-effective way.

Our ability to provide our service and advice depends on access to important information. Accordingly, you are expected to provide us with an adequate level of information and supporting documentation throughout the term of the engagement, including but not limited to: source of funds; income levels, your (or your legal agent's) authority to act on behalf of the account, among other information. This helps us determine the appropriateness of our financial planning or investment strategy for you and your account.

It is very important that you keep us up-to-date on significant changes that may call for an update to your financial and investment plans. Events such as changes in employment; stock option plans, marital status, or the purchase or sale of a home or business can have a tremendous impact on your circumstances and needs. If we are aware of such events, we can make the adjustments needed to your plan or advice in order to keep you on track toward your goals.

We do not require minimum income levels, minimum level of assets, or other conditions for our financial planning and investment consultation services. We generally require an account minimum of \$1 million of investible assets when our firm is engaged for its investment supervisory services. Certain third party investment advisors may also require a minimum account size to engage their services and these will be further described in the third party investment advisor's ADV Part 2A or similar document.

We require a minimum annual account fee of \$1,000 for both third party investment advisor and our own investment supervisory services engagements. In light of this requirement, we may refuse smaller portfolios when correlating fees make it impractical to provide advisory services, especially for accounts of less than \$30,000 in assets.

We also require a minimum annual fee of \$5,000 for our personal chief financial officer services, therefore, it may be necessary to refuse certain engagements when correlating fees make it impractical to provide such services to a client with personal net worth less than \$165,000 per year over the previous two-year period.

Our firm reserves the right to waive or reduce certain fees based on unique individual circumstances, special arrangements, pre-existing relationships or as otherwise may be determined by the Firm principal. We also reserve the right to decline services to any prospective client for any reason.

Section 5 - Methods of Analysis, Investment Strategies and Risk of Loss

Method of Analysis

If we are engaged to provide investment consultation or investment supervisory services, we will first evaluate several factors, including your:

- current financial situation;
- current and long-term needs;
- investment goals and objectives;
- level of investment knowledge; and
- tolerance for risk.

We make asset allocation and investment policy decisions based on these and other factors. We will then discuss with you how, in our best judgment, to meet your objectives while at the same time seeking a prudent level of risk exposure. To achieve this, we typically employ fundamental analyses to develop long-term investment strategies. Fundamental analysis involves evaluating economic factors including interest rates, current state of the economy, future growth of an issuer or sector, among others.

Our research and recommendations may be drawn from sources that include financial publications; investment analysis and reporting software; research materials from outside sources; corporate rating services or inspections; annual reports, prospectuses and other regulatory filings; and company press releases.

Investment Strategies

We believe there is little gain in investing without some risk; the more risk, the more potential gain. We have never heard of an investor being concerned about making too much, but there may be comment if there is a loss. To avoid this situation, each client needs a strategic plan that sets limits on how much they are willing to lose – or gain without reallocation for that matter. Without this measurement an investor will get caught in the trap of “buying high and selling low” or perhaps not taking gains when appropriate.

Equity markets reflect a vast complex network of information, expectation and human behavior. These forces generally drive security prices to their fair values. Markets reward investors for the capital they supply. Companies compete with each other for this capital and millions of investors compete with each other to the most attractive returns. Traditionally investors strive to beat the market by taking

advantage of pricing errors and attempting to predict the future. All too often these attempts are wrong and they miss returns overall markets provide.

Investors are generally rewarded in proportion to the risk they take on. Investment decisions based around compensated risk in equity and bond markets connect investors to the forces that build wealth over time.

Historical evidence clearly denotes that returns come from risk. Gain is rarely accomplished without taking on some risk but not all risk carries a reliable reward. Academic studies have proven there are risks worth taking, and there are risks that are not.

We believe stocks are generally riskier than bonds and should have greater expected returns. Returns among stocks are driven by two dimensions: small versus large; value versus growth.

Successful investing means not only capturing risks that generate reliable returns but reducing risks that don't. Avoidable risks may include holding too few companies or securities; "betting" on countries or industries, following market predictions, and speculating on information from rating services or the "talking heads." We believe the "antidote" is *diversification*.

Capital markets are composed of many classes of securities. A group of securities that share economic traits are often referred to as an *asset class*. There are several asset classes, all with average price movements, and that are distinct from one another. Investors can benefit by combining the different asset classes in a portfolio.

Because asset classes play different roles in a portfolio, the whole is greater than the sum of its parts. Investors have an opportunity to achieve greater than expected returns with less price fluctuation and more consistency than they might with a less comprehensive approach.

No two investors are alike, however, and there is no single optimal asset allocation. Each investor has his or her own risk tolerances, goal, and life circumstances that dictate the asset allocation structure. In general, the greater the proportion of stocks (especially with small cap and value stocks) the potential for the more risk within the portfolio and greater than expected return.

We generally use low-cost investments such as index mutual funds and ETFs, whenever it is appropriate possible to do so, as well as employing investment strategies utilizing bonds ladders.

Risk of Loss

While we believe our strategies and investment recommendation are designed to potentially produce the highest possible return for a given level of risk, we cannot guarantee that an investment objective or planning goal will be achieved. Past performance is not necessarily indicative of future results.

Some investment decisions may result in loss, including potential loss of the original principal invested. Each client must be able to bear the various risks involved in the investment of account assets, which in general may include market, currency, interest rate, liquidity, operational or political risk, among others.

When our research and analyses is based upon commercially available software, rating services, general market and financial information, or due diligence reviews, we are relying upon the accuracy and validity of the information or capabilities being provided by selected vendors, rating services, market data, and the issuers themselves.

We make a reasonable effort to determine the accuracy of the information received but we cannot predict events, actions taken or not taken, or the validity of all information researched or provided which may or may not affect the advice to a client or account.

When a portfolio employs a passive, efficient markets theory, you will need to consider the potential risk that your broader allocation may generate lower-than-expected returns than that from a specific asset, and that the return on each type of asset is a deviation from the average return of the asset class. We believe this variance from the “expected return” is generally low under normal market conditions if the portfolio is made up of diverse, non-correlated assets.

If your selected portfolio strategy involves more frequent trading, it may result in additional transactional costs or create taxable events, and in some instances potentially reducing or negating any benefit derived by shorter term investing.

Investment vehicles such as ETFs and indexed funds have the potential to be affected by “tracking error risk,” which might be defined as a deviation from their stated benchmark (index). Since the core of a portfolio may attempt to closely replicate a stated benchmark, the source of the tracking error or deviation may come from a “sample index” that may not as closely align the stated benchmark. In these instances, the firm may choose to reduce the weighting of a holding or use a “replicate index” position as part of its core holdings to minimize the effects of the tracking error in relation to the overall portfolio.

Also, while many index funds and ETFs are known for their potential tax-efficiency and higher “qualified dividend income” (QDI) percentages, there are certain asset classes or holding periods within a fund or ETF that may not benefit. Shorter holding periods or certain commodities and currencies (potentially within the fund/ETF) may be considered nonqualified, therefore the investments QDI will be considered if tax efficiency is an important aspect of your portfolio.

Bonds themselves may be affected by various forms of risk, such as:

Interest Rate Risk - The risk that the value of a bond will decrease because of an increase in interest rates; or rates fall when maturing bonds are paid off prior to maturity requiring reinvestment at a lower yield.

Liquidity Risk - The inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. While bonds are generally liquid, there are risks and they may occur when issues trading on any given period does not readily support buys and sells at an efficient price. Conversely, when trading volume is high there is also a risk of not being able to purchase a particular bond issue.

Credit Risk - The potential risk that a bond issuer will be unable to pay scheduled interest or repay principal at maturity, sometimes referred to as “default risk,” is an example. Credit risk also may occur when an issuer’s ability to make payments of principal and interest when due is interrupted.

This may result in a negative impact on all forms of debt instruments, as well as funds or ETF share values. Bondholders are creditors of an issuer, and therefore, have priority to assets before equity holders (i.e., stockholders) when receiving a payout from liquidation or restructuring. When defaults occur due to bankruptcy, the type of bond held will determine seniority of payment.

Reinvestment Risk – With declining interest rates investors may have to reinvest interest income or principal at the current lower rate.

Duration Risk - Duration is the measurement in years of the period required for the price of a bond to be repaid by its internal cash flow and is important since bonds with higher durations carry more (duration) risk and have higher price volatility than bonds with lower durations.

Bond ladders can be adversely affected by those items noted that have impact on individual bond positions. Additionally, bond ladders are better served for accounts where ample funds are available to build and maintain an appropriate ladder, often benchmarked at \$50,000 or more, and portfolios employing this strategy must ensure adequate liquidity to avoid selling previously positioned bonds within the ladder.

Section 6 - Disciplinary Information

Neither ButtonWood Advisors, LLC nor our associates have been subject to a reportable legal or disciplinary event pursuant the Investment Advisors Act of 1940 (as amended) or similar state statute.

Section 7 - Other Financial Industry Activities and Affiliations

Our policies require our firm and its associates to conduct business activities in a manner that avoid actual or potential conflicts of interest between the firm, its employees and clients, or that may be contrary to law.

We will provide disclosure to each client prior to and throughout the term of an engagement regarding any conflicts of interest which might reasonably compromise our impartiality or independence.

Neither our firm nor an associate is affiliated with or maintain a material relationship or arrangement with another financial services industry entity, such as a broker/dealer.

Our firm is a member of the Garrett Planning Network (Garrett), an organization that assists financial planners in fee-only, financial planning practices. Garrett is not a registered financial industry participant, however, we do pay an annual membership fee for extensive services that include training, compliance and operational support to enhance our ability to provide quality service and advice to the investing public.

Associates of the firm may hold individual membership in professional industry associations or organizations such as the National Association of Personal Financial Advisors (NAPFA); National Institute of Certified College Planners, or the Certified Financial Planner Board of Standards, Inc. Generally, participation in any of these entities require membership fees to be paid, adherence to ethical guidelines, as well as in meeting experiential and ongoing educational requirements.

Section 8 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

We have adopted a Code of Ethics that establishes policies of ethical conduct for all our personnel. Our firm accepts the obligation not only to comply with all applicable laws and regulations but also to act in an ethical and professionally responsible manner in all professional services and activities.

Our policies include prohibitions against insider trading, circulation of industry rumor, certain political contributions, among others.

Associates who are CFP® designees also adhere to the Certified Financial Planner Board of Standards Code of Ethics. These principles include:

Principle 1 – Integrity

An advisor will provide professional services with integrity. Integrity demands honesty and candor which must not be subordinated to personal gain and advantage.

Advisors are placed by clients in positions of trust by clients, and the ultimate source of that trust is the advisor's personal integrity. Allowance can be made for innocent error and legitimate differences of opinion; but integrity cannot co-exist with deceit or subordination of one's principles.

Principle 2 – Objectivity

An advisor will provide professional services objectively. Objectivity requires intellectual honesty and impartiality. Regardless of the particular service rendered or the capacity in which an advisor functions, an advisor should protect the integrity of their work, maintain objectivity and avoid subordination of their judgment.

Principle 3 – Competence

Advisors will maintain the necessary knowledge and skill to provide professional services competently.

Competence means attaining and maintaining an adequate level of knowledge and skill, and applies that knowledge effectively in providing services to clients. Competence also includes the wisdom to recognize the limitations of that knowledge and when consultation with other professionals is appropriate or referral to other professionals necessary. Advisors make a continuing commitment to learning and professional improvement.

Principle 4 – Fairness

Advisors will be fair and reasonable in all professional relationships. Fairness requires impartiality, intellectual honesty and disclosure of material conflict(s) of interest. It involves a subordination of one's own feelings, prejudices and desires so as to achieve a proper balance

of conflicting interests. Fairness is treating others in the same fashion that you would want to be treated and is an essential trait of any professional.

Principle 5 – Confidentiality

Advisors will protect the confidentiality of all client information. Confidentiality means ensuring that information is accessible only to those authorized to have access. A relationship of trust and confidence with the client can only be built upon the understanding that the client's information will remain confidential.

Principle 6 – Professionalism

Advisors will act in a manner that demonstrates exemplary professional conduct. Professionalism requires behaving with dignity and courtesy to all who use their services, fellow professionals, and those in related professions. Advisors cooperate with fellow advisors to enhance and maintain the profession's public image and improve the quality of services.

Principle 7 – Diligence

Advisors will provide professional services diligently. Diligence is the provision of services in a reasonably prompt and thorough manner, including the proper planning for, and supervision of, the rendering of professional services.

Additionally, associates of our firm that are NAPFA or Garrett members adhere to the NAPFA *Fiduciary Oath* that states that:

"The advisor shall exercise his/her best efforts to act in good faith and in the best interests of the client.

The advisor shall provide written disclosure to the client prior to the engagement of the advisor, and thereafter throughout the term of the engagement, of any conflicts of interest, which will or reasonably may compromise the impartiality or independence of the advisor.

The advisor, or any party in which the advisor has a financial interest, does not receive any compensation or other remuneration that is contingent on any client's purchase or sale of a financial product.

The advisor does not receive a fee or other compensation from another party based on the referral of a client or the client's business.

Following the NAPFA Fiduciary Oath means I shall:

- * Always act in good faith and with candor.*
- * Be proactive in disclosing any conflicts of interest that may impact a client.*
- * Not accept any referral fees or compensation contingent upon the purchase or sale of a financial product."*

We periodically review and amend our Code of Ethics to ensure that it remains current, and we require all firm access persons to attest to their understanding of and adherence to the Code of Ethics at least annually. Our firm will provide a copy of its Code of Ethics to any client or prospective client upon request.

Privacy Policy

At ButtonWood Advisors, LLC, we respect the personal financial privacy of all our clients and prospective clients, past and present. We realize you have entrusted us with personal financial information, and it is important to us that all employees and clients of our firm know our policy concerning what we do with that information.

We collect personal financial information about our clients from the following sources:

- Information our clients provide to us to complete their financial plan or investment recommendation;
- Information our clients provide to us in agreements, account applications, and other documents completed in connection with the opening and maintenance of their accounts;
- Information our clients provide to us orally; and
- Information we may receive from third parties, such as custodians, about client transactions.

We do not disclose nonpublic personal financial information about our clients to anyone, except in the following circumstances:

- When required to provide services our clients have requested;
- When our clients have specifically authorized us to do;
- When required during the course of a firm assessment (i.e., independent audit); or
- When permitted or required by law (i.e., periodic regulatory examination).

Within our company, we restrict access to client information to the employees who need to know that information. To ensure security and confidentiality, we maintain physical, electronic, and procedural safeguards to protect the privacy of our clients.

Within our firm, we restrict access to client information to staff that need to know that information. All personnel and our service providers understand that everything handled in our office is confidential and they are instructed to not discuss client information or situation with someone else that may request information about an account unless they are specifically authorized in writing by the client to do so. This includes, for example, providing information about a spouse's IRA account; children about parents' accounts, etc.

We will notify you annually of our privacy policy and at any time, in advance, if our policy is expected to change.

Participation or Interest in Client Transactions

Neither our firm, associates or any related person is authorized to recommend to a client, or effect a transaction for a client, involving any security in which our firm or a related person has a material financial interest, such as in the capacity as an underwriter, advisor to the issuer, etc.

Our employees are prohibited from borrowing from or lending to a client unless the client is an approved financial institution.

We recognize that should we act as the advisor to the sponsor of an ERISA-qualified retirement plan (i.e., 401(k) or pension plan) and one of our associates serves in an advisory capacity to one or more of the plan's participants, a potential or implied conflict of interest may occur. We may require our associate to cease in this plan participant advisory capacity or, upon disclosure to and approval from the plan sponsor, allow the dual advisory role to continue with consideration being made to offset fees where appropriate.

Our firm provides a range of services to you and all of our clients, which includes financial planning, investment consultation services, and investment supervisory services where we are paid a fee. Due to our firm's ability to offer part or all of these services to you, a potential conflict of interest may exist. Therefore, you are under no obligation to act upon our recommendations and, if you elect to act on any of our recommendations, you are under no obligation to complete all of them through our firm.

Personal Trading

Our firm and its "related persons" may buy or sell securities similar to, or different from, those we recommend to clients for their accounts. A recommendation made to one client may be different in nature or in timing from a recommendation made to a different client. At no time, however, will our firm or any related party receive preferential treatment over our clients.

In an effort to reduce or eliminate certain conflicts of interest involving personal trading, our policy may require that we restrict or prohibit associates' transactions in specific reportable securities transactions. Any exceptions or trading pre-clearance must be approved by a principal of our firm in advance of the transaction in an account, and we will maintain the required personal securities transaction records per current regulation.

Section 9 - Brokerage Practices

ButtonWood Advisors, LLC is not affiliated with any bank, custodian, or broker-dealer firm ("service provider"). When engaged to provide investment consultation or investment supervisory services, we will offer to use the service provider with whom your assets are currently maintained. Should you prefer a new provider, we will suggest the institutional services division of Shareholders Service Group, Inc. ("SSG").

We believe the selection of SSG is due to what we would describe as the industry's "best practices;" combining the elements of low (not necessarily the lowest) transaction costs to our clients for the benefit of custody of their securities, and service to both our client and the firm our effort to better serve an account. Such services involve, for example, handling distributions and withdrawals, account billing services, electronic client statements, etc. Research is also a modest consideration.

It is our policy to restrict non-cash compensation (termed "soft dollars" in certain jurisdictions) to products or services that enhance our ability to render quality advice and service to all of our clients that utilize any of SSG's services. Although we may maintain a majority of our business with SSG, we derive no special benefit (any more than any other investment advisor) from doing so, nor do we "pay up" (incur extra fees) to receive these additional services.

Industry fees and schedules periodically change; subsequently transaction fees charged by SSG may be higher or lower than those charged by other service providers. We believe, in good faith, that rates are reasonable in relation to the value of the services received. The fees paid by our clients will also comply with our duty to obtain “best execution” (as further defined in a following paragraph).

We periodically conduct an assessment of SSG, its range of services and capabilities, as well as the reasonableness of fees, in comparison to other comparable industry providers.

Client Referrals

All compensation paid to our firm is paid directly by our clients and, therefore, we do not receive additional compensation when you engage a recommended service provider.

Directed Brokerage

We do not require or engage in directed brokerage involving our accounts. We recognize our obligation in seeking “best execution” for our clients, however, it is our belief that the determinative factor is not always the lowest possible cost but whether the selected service provider's transactions represent the best “qualitative” execution while taking into consideration the full range of services provided.

Therefore, we will seek services involving competitive rates but it may not necessarily correlate into the lowest possible rate for each transaction. We periodically review policies regarding our recommending service providers to our clients in light of our duty to seek "best execution."

As our client, you may direct our firm (in writing) to use another particular broker-dealer to execute some or all transactions for your account. In these circumstances, you will be responsible for negotiating, in advance, the terms and/or arrangements for your account with your selected broker-dealer. We will not be obligated to seek better execution services or prices from these other broker-dealers, or be able to aggregate your transactions, should we choose to do so, for execution through other custodians with orders for other accounts managed by our firm. As a result, you may pay higher commissions or other transaction costs, experience greater spreads, or receive less favorable net prices, on transactions for your account than would otherwise be the case. Further, pursuant our obligation of best execution, we may decline a request to direct brokerage if we believe any directed brokerage arrangement would result in additional operational difficulties or risk to our firm.

Trade Aggregation

Transactions for each of our clients will generally be effected independently unless we decide to purchase or sell the same securities for several clients at approximately the same time, often termed “aggregated” or “batched” orders. We do not receive any additional compensation or remuneration as a result of aggregated transactions.

We may (but are not obligated to) aggregate orders in an attempt to obtain better execution, negotiate favorable transaction rates, or to allocate equitably among our client accounts should there be differences in prices and commissions or other transaction costs that might have been obtained had such orders been separately placed.

Should we aggregate orders, transactions will generally be averaged as to price and allocated among each client on a pro-rated basis on any given day and we will attempt to do so in accordance with applicable industry rules. Client accounts where trade aggregation is not allowed or infeasible may be assessed higher transaction costs than those that are batched.

In the event we determine that a pro-rated allocation is not appropriate under particular circumstances, the allocation will be made based upon other relevant factors, which may include (in no particular order):

- when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weighting relative to other portfolios with similar mandates;
- allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts;
- if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts, such as that which might occur due to unforeseen changes in an account's assets after the order is placed;
- when a pro-rated allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, an account may be excluded from the allocation and transactions may be executed on a pro-rated basis among the remaining accounts; or
- when a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis, with an eye toward the "randomness" of the process (i.e., not always A-to-Z or vice versa, etc.).

We review both our trade aggregation procedures and allocation processes on a periodic basis to ensure they remain within stated policies and regulation. We will inform you, in advance, should our trade aggregation and allocation practices change at any point in the future.

Section 10 - Review of Accounts

Financial Planning and Investment Consultation Services

Periodic financial check-ups or reviews are recommended if you are receiving financial planning and investment consultation services from our firm, and it would be necessary for you to initiate these reviews.

Reviews will be conducted by an assigned financial planner and normally involve analysis and possible revision of a previous financial plan or investment allocation. Portfolio "Snapshot" reports may be provided when our firm is engaged to provide asset allocation or investment advice as part of its Investment Consultation Service, however, we will not provide ongoing performance reporting.

Third Party Investment Advisors

If your account is served by a recommended third party investment advisor, our firm will periodically review reports provided to you by the third party advisor; contact you at least annually to review your financial situation and objectives; communicate information to the third party investment advisor as warranted; and assist you in understanding and evaluating the services provided by the third party investment advisor.

It is important that you notify our firm of any changes in your financial situation, investment objectives, or account restrictions. You are also able to contact the third party investment advisor managing your account.

Investment Supervisory Services and Personal Chief Financial Officer Services

Accounts managed by our firm are periodically reviewed throughout the year by the assigned investment advisor representative, supervisory personnel (such as our firm principal), or a qualified independent entity engaged by our firm.

Additional reviews may be triggered by news or research related to a specific holding, a change in our view of the investment merits of a holding, or news related to the macroeconomic climate affecting a sector or holding within that sector.

Accounts may also be reviewed when being considered for an additional holding or an increase in a current position. Account cash levels above or below that deemed appropriate for the investment environment, given your stated tolerance for risk and investment objectives, may also trigger a review.

You may be provided periodic performance summary reports or annual gain/loss reports for taxable accounts. Some of our clients may receive additional reports depending on their specific requirements.

You will also receive account statements sent directly from mutual fund companies, transfer agents, custodians or brokerage companies where your investments are maintained.

Section 11 - Client Referrals and Other Compensation

We do not engage in solicitation activities as defined by Rule 206(4)-3 of the Investment Advisors Act of 1940, or similar state statute.

As noted earlier, ButtonWood Advisors, LLC and its associates may be members of Garrett, NAPFA or other professional associations. A benefit these entities may provide to the investing public is the availability of online search tools that allow interested parties (prospective clients) to search for participant firms or individual financial planners within a selected state or region.

These passive websites may provide means for interested persons to contact a firm or financial planner via electronic mail, telephone number, or other contact information, in order to interview the participating firm or planner. Members of the public may also choose to telephone association staff to inquire about a firm or individual planner within their area, and they would receive the same or similar information. A portion of our membership fees may be used so that our name will be listed in some or all of these entities' websites (or similar listings).

Prospective clients locating our firm or one of our associates via this method are not actively marketed by these associations. Clients who find us in this way do not pay more for their services than clients referred to us in another fashion, such as by another client. We do not pay these entities for prospective client referrals, nor is there a fee-sharing arrangement reflective of a solicitor engagement.²

We may provide referrals to various other professionals, such as an attorney, as a service to our clients. We do not have an agreement with or receive referral fees from these professionals for these informal referrals. Any fees charged by these other entities for their services are completely separate from fees charged by ButtonWood Advisors, LLC

Section 12 - Custody

Your funds and securities will be maintained by an unaffiliated, qualified custodian that you select, such as a bank; broker/dealer, mutual fund company, or transfer agent, not with our firm or our associates.

In keeping with our policy of not having custody of client funds or securities, we:

- Restrict our firm and associates from acting as trustee for or having full power of attorney over a client account;
- Are prohibited from having authority to withdraw securities or money from a client account, other than for payment of our advisory fees that is accomplished through a qualified custodian of your assets and pursuant a written agreement;
- Do not accept or forward client securities (i.e., stock certificates) erroneously delivered to our firm;
- Will not collect fees in advance for services to be performed for \$500 or more *and* six months or more into the future; and
- Will not authorize any associate to have knowledge of a client's account access information (i.e., online 401(k), brokerage or bank accounts), even for the convenience or accommodation of the client or their legal agent.

You will be provided with transaction confirmations and summary account statements provided directly to you by your selected service provider. Typically, these statements are provided on a monthly or quarterly basis, or as transactions occur. We will not create a statement for you nor be the sole recipient of your statements.

You may receive periodic reports or "Snapshots" from our firm that may include investment performance information. You are urged to compare your account statements that you have received directly from your service provider with any report you receive from our firm.

²The firm believes this arrangement is in consonance with SEC No-Action Letter No. 1251421 in its response to the National Football League Players Association.

Section 13 - Investment Discretion

We provide our investment supervisory services to our clients through either a *discretionary* or *non-discretionary* account agreement; although they are generally under a discretionary agreement. Similar to a limited power of attorney, *discretionary authority* allows our firm to implement investment decisions, such as the purchase or sale of a security on behalf of your account, without your prior authorization in order to meet your stated account objectives.

Generally, most third party investment advisors assume discretionary authority over the accounts they supervise. Neither our firm nor an associate will manage or obtain discretionary authority over accounts participating in these programs. If you are participating in the third party investment advisor program, you should thoroughly review the selected third party investment advisor's ADV Part 2 to determine its investment discretion authority and policies.

Should you prefer your investment supervisory services account to be managed by our firm in a *non-discretionary* manner, restricting any or all transactions to occur until following your approval, we may require a higher asset-based fee due to the additional service requirements in support of your account. Also be aware that under this type of engagement, since we must be granted your approval prior to implementing an investment decision, you must make yourself available and keep our firm apprised of your current contact information so that transaction instructions can be efficiently effected on your behalf. *By definition and absent your written instruction to the contrary, non-discretionary transactions do not involve a trade's execution price or time.*

We require all account restrictions, limitations, and rescissions will be made in writing by our clients and approved in writing by the firm principal. We will maintain a record of these requests and they will be retained per regulation.

Section 14 - Voting Client Securities

Proxy Voting

Our firm does not vote proxies on your behalf. You will maintain exclusive responsibility for directing the manner in which proxies solicited by issuers of securities that are beneficially owned by you shall be voted, as well as making all other elections relative to mergers, acquisitions, tender offers or other events pertaining to your holdings.

If your account is managed by a selected third party investment advisor, you should thoroughly review the third party investment advisor's ADV Part 2 disclosure to determine its proxy voting policies.

Other Corporate Actions

We will have no power, authority, responsibility, or obligation to take any action with regard to any claim or potential claim in any bankruptcy proceeding, class action securities litigation or other litigation or proceeding relating to securities held at any time in a client account, including, without limitation, to file proofs of claim or other documents related to such proceeding, or to investigate, initiate, supervise or monitor class action or other litigation involving client assets.

Firm's Receipt of Materials

You may receive proxies or other solicitations directly from your selected custodian or transfer agent. If our firm receives correspondence relating to the voting of your securities, class action litigation, or other corporate actions, we typically forward the correspondence to your address of record or to another entity such as your attorney if you direct us to do so.

Section 15 - Financial Information

The firm and its control persons do not have a material financial matter to disclose. Due to the nature of our firm's services, an audited balance sheet is not required nor included in this brochure.

Business Continuity Plan

Our firm has developed a business continuity plan to assist our firm and its associates to appropriately respond to events that pose a significant business disruption to our operations. A statement concerning our current plan is provided under separate document upon request.

Section 16 – Advisory Personnel

Managing Member/President/Firm Principal (Supervisor)/Investment Advisor Representative

Victor (Vic) L. Hess [Born 1947]

Educational Background and Business Experience

Educational Background

B.B.A. University of Wisconsin - Madison
Certified Public Accountant (CPA)¹ [1981]
CERTIFIED FINANCIAL PLANNER™ Practitioner (CFP®)² [1999]
Personal Financial Specialist (PFS®)³ [2000]
Accredited Investment Fiduciary Analyst (AIFA®)⁴ [2008]
Certified Fraud Examiner (CFE)⁵ [2008]
Accredited Estate Planner (AEP®)⁶ [2010]
Certified College Planning Specialist (CCPS)⁷ [2010]

Business Experience

ButtonWood Advisors, LLC [2003-Present]
President/Principal; Financial Planning and Asset Management

Victor Hess, CPA [2003-Present]
Sole Proprietor; Accounting and Tax Services

Trustmont Financial Group, Inc. [2010]
Investment Advisor Representative/Registered Representative/Licensed Insurance Agent

KMS Financial Services, Inc. [2009]
Investment Advisor Representative/Registered Representative

Disciplinary Information

None

Other Business Activities

Mr. Hess also provides accounting and tax preparation services through an unaffiliated sole proprietorship operating under the name "Victor Hess, CPA," and in which accounts for approximately 15% of his time during business hours each month. Certain clients may maintain a relationship with both the entities with services provided under separate agreements. No referral fee or other incentive compensation arrangement exists should clients have a relationship with or seek the service of both of these entities.

Additional Compensation

The firm prohibits employees from accepting or receiving additional economic benefit, such as sales awards or other prizes, for providing advisory services to its clients.

Investment Advisor Representative

Milton E. Ames, Jr. [Born 1950]

Educational Background and Business Experience

Educational Background

MBA; University of Nevada-Las Vegas [1984]

BS Accounting; Virginia Technical Institute [1973]

CERTIFIED FINANCIAL PLANNER™ Practitioner (CFP®)² [2004]

Accredited Asset Management SpecialistSM (AAMS®)⁸ [1994]

Certified Private Banking & Investment Specialist [1998]

Relationship Building & Sales Skills [1998]

NASAA Series 65/Uniform Investment Adviser Law Examination

NASAA Series 63/Uniform State Securities Agent Law Examination

FINRA Series 7/General Securities Representative (Inactive)

California Life Insurance Agent License (Inactive)

Business Experience

ButtonWood Advisors, LLC [2011-Present]

Investment Advisor Representative

Ames Financial Group [2009-Present]

Founder

United State Air Force [2009 through October 14, 2011]

Lieutenant Colonel

TIAA-CREF Advice and Planning Services [2001-2008]

Wealth Management Advisor/Senior Trust Consultant

US Bank Private Financial Services [2000-2001]
Vice President and Wealth Management Consultant

Bank of America [1985-1999]
Vice President and Senior Portfolio Manager

Planned Giving Roundtable [2002-2004]
Member

Planned Giving Advisory Board, American Cancer Society [2003-2004]
Member

San Gabriel Valley Fiduciary Roundtable [2005]
Member

Institute of Management Accountants [1985]
Past President

Disciplinary Information

None

Other Business Activities

Mr. Ames also provides advisory and educational services through an unaffiliated sole proprietorship operating under the name "Ames Financial Group," and in which accounts for approximately 20% of his time during business hours each month. Certain clients may maintain a relationship with both the entities with services provided under separate agreements. No referral fee or other incentive compensation arrangement exists should clients have a relationship with or seek the service of both of these entities.

Additional Compensation

The firm prohibits employees from accepting or receiving additional economic benefit, such as sales awards or other prizes, for providing advisory services to its clients.

Supervision

Mr. Hess serves as Mr. Ames supervisor and he may be reached at (520) 638-8718. Additional information about the firm, other advisory firms, associated investment advisor representatives, including Mr. Ames, is available on the Internet at www.adviserinfo.sec.gov.

Firm Supervision

Mr. Hess serves in multiple capacities with our firm including Managing Member, Firm Principal and Investment Advisor Representative. We recognize by not having all organizational duties segregated may potentially create a conflict of interest, however, we believe our policies and procedures are designed to ensure appropriate recordkeeping and supervision to avoid the potential for conflict of interest. Certain functions may be outsourced to assist in these efforts when deemed necessary.

Questions relative to the firm, its services, this ADV Part 2 may be made to the attention of Mr. Hess at (520) 638-8718.

Additional information about our firm, other advisory firms, associated investment advisor representatives, including Mr. Hess, is available on the Internet at www.adviserinfo.sec.gov. A search of this site for firms or their associated personnel can be accomplished by their name or a unique firm identifier, known as an *IARD number*. The IARD number for ButtonWood Advisors, LLC is 126058.

The business and disciplinary history, if any, of an investment advisory firm and its representatives may also be obtained by calling the Arizona Securities Division at (866) 837-4399.

¹The **Certified Public Accountant (CPA)** - CPAs are licensed and regulated by their state boards of accountancy. While state laws and regulations vary, the education, experience and testing requirements for licensure as a CPA generally include minimum college education (typically 150 credit hours with at least a baccalaureate degree and a concentration in accounting), minimum experience levels (most states require at least one year of experience providing services that involve the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, all of which must be achieved under the supervision of or verification by a CPA), and successful passage of the Uniform CPA Examination. In order to maintain a CPA license, states generally require the completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over a two year period or 120 hours over a three year period). Additionally, all American Institute of Certified Public Accountants (AICPA) members are required to follow a rigorous *Code of Professional Conduct* which requires that they act with integrity, objectivity, due care, competence, fully disclose any conflicts of interest (and obtain client consent if a conflict exists), maintain client confidentiality, disclose to the client any commission or referral fees, and serve the public interest when providing financial services. The vast majority of state boards of accountancy have adopted the AICPA's *Code of Professional Conduct* within their state accountancy laws or have created their own.

²The **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.

³The **Personal Financial Specialist (PFS)** - The PFS credential demonstrates that an individual has met the minimum education, experience and testing required of a CPA in addition to a minimum level of expertise in personal financial planning. To attain the PFS credential, a candidate must hold an unrevoked CPA license, fulfill 3,000 hours of personal financial planning business experience, complete 80 hours of personal financial planning CPE credits, pass a comprehensive financial planning exam and be an active member of the AICPA. A PFS credential holder is required to adhere to AICPA's *Code of Professional Conduct*, and is encouraged to follow AICPA's *Statement on Responsibilities in Financial Planning Practice*. To maintain their PFS credential, the recipient must complete 60 hours of financial planning CPE credits every three years. The PFS credential is administered through the AICPA.

⁴The **Accredited Investment Fiduciary Analyst™ (AIFA®)** holder denotes the successful completion of a specialized program on investment fiduciary standards of care and ISO assessment procedures, the passing of a comprehensive examination, as well as meeting the designation's education and professional experience prerequisites. The AIFA designee holds the knowledge necessary to understand and implement a prudent process for Investment Stewards, Investment Advisors, and Investment Managers and can perform fiduciary assessments to verify or certify an entity's conformity to CEFEX's Global Fiduciary Standard of Excellence. The AIF and AIFA marks are held by the Center for Fiduciary Studies, LLC, a Fiduciary360 (fi360) company.

⁵A **Certified Fraud Examiner (CFE)** is a professional designation granted to those candidates that have proven expertise in fraud prevention, detection and deterrence. To become a CFE the candidate must pass a rigorous examination administered by the Association of Certified Fraud Examiners, meet specific educational and professional requirements, exemplify the highest moral and ethical standards and agree to abide by the CFE Code of Professional Ethics. Certified Fraud Examiner also must maintain annual continuing professional educational requirements and remain an ACFE member in good standing.

⁶The **Accredited Estate Planner® (AEP®)** designation is available to attorneys, Chartered Life Underwriters, Certified Public Accountants, Certified Trust and Financial Advisors, Chartered Financial Consultants, and Certified Financial Planners®. The AEP® designation is awarded by the National Association of Estate Planners & Councils (NAEPC) to recognized estate planning professionals who meet special requirements of education, experience, knowledge, professional reputation, and character. The NAEPC is a national organization of professional estate planners and affiliated Estate Planning Councils focused on establishing and monitoring the highest professional and educational standards. NAEPC fosters public awareness of the quality services rendered by professionals who meet these standards. NAEPC builds a team approach involving cross-professional disciplines to better serve the public's need in estate planning.

⁷A **Certified College Planning Specialist (CCPS)** is a financial professional who has demonstrated the skills necessary to assist families in preparing for the financial cost of sending children to college. The CCPS is trained to identify the most economically advantageous methods to save and pay for college. Each applicant must meet one of the following requirements to enter the CCPS certification program: professional certification/designation (CFP®, RFC, ChFC, CLU, CEP, CPA, etc.) or maintain professional financial licensing (i.e.e, securities, insurance, any state financial license, etc.), or a combination of education and experience deemed satisfactory by the National Institute of Certified College Planners' *Advisory Council*.

⁸The **ACCREDITED ASSET MANAGEMENT SPECIALISTSM AND AAMS[®]** designation is awarded by the College for Financial Planning[®] to students who:

- successfully complete the AAMS[®] educational program;
- pass the final examination; and
- comply with the Code of Ethics, which includes agreeing to abide by the Standards of Professional Conduct and Terms and Conditions. Applicants must also disclose of any criminal, civil, self-regulatory organization, or governmental agency inquiry, investigation, or proceeding relating to their professional or business conduct.
- every two years renew their right to continue using the AAMS[®] designation by completing 16 hours of continuing education; reaffirming to abide by the Standards of Professional Conduct, Terms and Conditions, and self disclose any criminal, civil, self-regulatory organization, or governmental agency inquiry, investigation, or proceeding relating to their professional or business conduct; and paying a biennial renewal fee.