

**FORM ADV**

**Uniform Application for Investment Adviser Registration**

**Part II - Page 1**

OMB APPROVAL

OMB Number: 3235-0049  
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Hours per response.....4.07

Name of Investment Adviser: Tarheel Advisors, LLC					
Address:	(Number and Street)	(City)	(State)	(Zip Code)	Area Code: Telephone Number:
	80 Park Village Ln.	Greensboro	NC	27455	336 510 7255

**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 government authority.**

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(Schedule 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: Tarheel Advisors, LLC

SEC File Number:

801-

Date:

01/15/2010

**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. (See instruction below.)

**Applicant:**

- (1) Provides investment supervisory services ..... 100 %
- (2) Manages investment advisory accounts not involving investment supervisory services..... \_\_\_\_\_ %
- (3) Furnishes investment advice through consultations not included in either service described above... \_\_\_\_\_ %
- (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... \_\_\_\_\_ %
- (8) Provides a timing service ..... \_\_\_\_\_ %
- (9) Furnishes advice about securities in any manner not described above..... \_\_\_\_\_ %

(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
- (2) Hourly charges
- (3) Fixed fees (not including subscription fees)
- (4) Subscription fees
- (5) Commissions
- (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
- B. Banks or thrift institutions
- C. Investment companies
- D. Pension and profit sharing plans
- E. Trusts, estates, or charitable organizations
- F. Corporations or business entities other than those listed above
- G. Other (describe on Schedule F)

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

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

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> A. Equity securities<br><input checked="" type="checkbox"/> (1) exchange-listed securities<br><input checked="" type="checkbox"/> (2) securities traded over-the-counter<br><input checked="" type="checkbox"/> (3) Foreign issuers | <input checked="" type="checkbox"/> H. United States government securities  |
| <input type="checkbox"/> B. Warrants  | <input checked="" type="checkbox"/> I. Options contracts on:<br><input type="checkbox"/> (1) securities<br><input type="checkbox"/> (2) commodities   |
| <input checked="" type="checkbox"/> C. Corporate debt securities (other than commercial paper)  | <input type="checkbox"/> J. Futures contracts on:<br><input type="checkbox"/> (1) tangibles<br><input type="checkbox"/> (2) intangibles   |
| <input checked="" type="checkbox"/> D. Commercial paper   | <input type="checkbox"/> K. Interests in partnerships investing in:<br><input type="checkbox"/> (1) real estate<br><input type="checkbox"/> (2) oil and gas interests<br><input type="checkbox"/> (3) other (explain on Schedule F) |
| <input checked="" type="checkbox"/> E. Certificates of deposit  | <input type="checkbox"/> L. Other (explain on Schedule F)   |
| <input checked="" type="checkbox"/> F. Municipal securities   |   |
| <input checked="" type="checkbox"/> G. Investment company securities:<br><input checked="" type="checkbox"/> (1) variable life insurance<br><input checked="" type="checkbox"/> (2) variable annuities<br><input checked="" type="checkbox"/> (3) mutual fund shares    |   |

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

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

- |   |  |
|---|--|
| (1) <input type="checkbox"/> Charting               | (4) <input type="checkbox"/> Cyclical                      |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input 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 type="checkbox"/> Timing services   |
| (2) <input type="checkbox"/> Inspections of corporate activities              | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the<br>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 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<br>(securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions   |
| (2) <input checked="" type="checkbox"/> Short term purchases<br>(securities sold within a year)  | (6) <input checked="" type="checkbox"/> Option writing, including covered options,<br>uncovered options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days)                 | (7) <input type="checkbox"/> Other (explain on Schedule F)  |
| (4) <input checked="" type="checkbox"/> Short sales  |   |

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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, please 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 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:
  - (1) broker-dealer
  - (2) investment company
  - (3) other investment adviser
  - (4) financial planning firm
  - (5) commodity pool operator, commodity trading adviser or futures commission merchant
  - (6) banking or thrift institution
  - (7) accounting firm
  - (8) law firm
  - (9) insurance company or agency
  - (10) pension consultant
  - (11) real estate broker or dealer
  - (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.)

**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 sell for itself securities it also recommended 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 advisory 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 condition 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 account, 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.

Accounts are monitored on an ongoing basis. The client will receive written statements no less than quarterly from the trustee or custodian. In addition, the client will receive other supporting reports from Mutual Funds, Asset Managers, Trust Companies or Custodians, Insurance Companies, Broker/Dealers and others who are involved with client accounts. Individual Advisors perform all other account reviews at least quarterly and are supervised by the Chief Compliance Officer.

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

Asset Allocation Accounts are re-balanced on a quarterly basis and re-optimized when deemed necessary by the Advisor or by third-party money manager for those participating in the Asset Management Program. Re-balancing is accomplished by reallocating assets to original asset targets and re-optimizing involves setting new target asset category percentages. The client is encouraged to notify the Advisor and Investment Advisor Representative if changes occur in his/her personal financial situation that might adversely affect his/her investment plan.

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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:

- |  |                                     |                                     |
|--|-------------------------------------|-------------------------------------|
|  | Yes                                 | No                                  |
| (1) securities to be bought or sold? .....           | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| (2) amount of securities to be bought or sold? ..... | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| (3) broker or dealer to be used? .....               | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| (4) commission rates paid? .....                     | <input type="checkbox"/>            | <input checked="" 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 product 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 <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? .....  | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |

(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: Tarheel Advisors, LLC	SEC File Number: 801-	Date: 01/15/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Tarheel Advisors, LLC		IRS Empl. Ident. No.: 26-3925516
Item of Form (identify)	Answer	
1A(1)	<p><i>Advisory Services:</i> Tarheel Advisors, LLC's principal service is providing fee-based investment advisory services and financial planning services. The advisor practices custom management of portfolios, typically on a discretionary basis, according to the client's objectives. The advisor's primary approach is to use a tactical allocation strategy aimed at reducing risk and increasing performance. The advisor uses exchange listed securities, over-the-counter securities, CDs, money markets, municipal securities, mutual funds, corporate issued debt, options, Electronically Traded Funds (ETFs), and United States government securities to accomplish this objective. The advisor measures and selects mutual funds by using various criteria, such as the fund manager's tenure, and/or overall career performance. The advisor may recommend, on occasion, redistributing investment allocations to diversify the portfolio in an effort to reduce risk and increase performance. The advisor may recommend specific stocks to increase sector weighting and/or dividend potential. The advisor may recommend employing cash positions as a possible hedge against market movement which may adversely affect the portfolio. The advisor may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position(s) in the portfolio, change in risk tolerance of client, or any risk deemed unacceptable for the client's risk tolerance. Options are also used for covered call and hedging strategies.</p>	
1B	<p><i>Financial Planning:</i> In addition to investment supervisory services, Tarheel Advisors, LLC provides Financial Planning Services to its clients. The advisor's Financial Planning services include customized portfolios based on their client's investment objectives, goals and financial situation. It may also include providing investment strategies and general or tailored investment advice and Financial Planning.</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: Tarheel Advisors, LLC	SEC File Number:  801-	Date:  01/15/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:  Tarheel Advisors, LLC	IRS Empl. Ident. No.:  26-3925516
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Item of Form (identify)	Answer						
1C(1)	<p><b>Fees:</b> Tarheel Advisors, LLC intends to be compensated for its investment advisory services by charging the following fees:</p> <p><b>Management Fee:</b> Pursuant to an investment advisory contract signed by each client, the client will pay Tarheel Advisors, LLC a quarterly Management Fee, payable in arrears, based on the amount of the assets to be managed by the advisor as of the opening of business on the first business day of each quarter.</p> <table style="margin-left: 40px;"> <tr> <td>\$0-\$100,000 1.25 %</td> <td>\$100,000 – \$250,000 1.00 %</td> </tr> <tr> <td>\$250,000 – \$2,000,000 0.75 %</td> <td>\$2,000,000 – \$5,000,000 0.65%</td> </tr> <tr> <td>\$5,000,000 and above 0.50%</td> <td></td> </tr> </table> <p>These fees may be negotiated by the advisor under unusual circumstances, at the sole discretion of the advisor. Asset management fees will be automatically deducted from the client account on a quarterly basis by the custodian.</p> <p>All fees paid to Tarheel Advisors, LLC for investment advisory services are separate and distinct from the expenses charged by mutual funds to their shareholders and the product sponsor in the case of variable insurance products. These fees and expenses are described in each fund’s or variable product’s prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the sponsor also imposes sales charges, a client may pay an initial or deferred sales or surrender charge. A client could invest in these products directly, without the services of Tarheel Advisors, LLC. In that case, the client would not receive the services provided by Tarheel Advisors, LLC which are designed, among other things, to assist the client in determining which products or services are most appropriate to each client’s financial condition and objectives. Accordingly, the client should review both the fees charged by the product sponsor and the fees charged by Tarheel Advisors, LLC to fully understand the total fees to be paid.</p> <p>Tarheel Advisors, LLC will provide investment advisory services and portfolio management services but will not provide custodial or other administrative services. At no time will Tarheel Advisors, LLC accept or maintain custody of a client’s funds or securities. Client is responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer. The Advisors fee is separate and distinct from the custodian and execution fees. Clients may request to terminate their advisory contract with Tarheel Advisors, LLC, in whole or in part, by providing advance written notice. Upon termination, any fees paid in advance will be prorated to the date of termination and any excess will be refunded to client. Client’s advisory agreement with the Advisor is non-transferable without Client’s written approval.</p>	\$0-\$100,000 1.25 %	\$100,000 – \$250,000 1.00 %	\$250,000 – \$2,000,000 0.75 %	\$2,000,000 – \$5,000,000 0.65%	\$5,000,000 and above 0.50%	
\$0-\$100,000 1.25 %	\$100,000 – \$250,000 1.00 %						
\$250,000 – \$2,000,000 0.75 %	\$2,000,000 – \$5,000,000 0.65%						
\$5,000,000 and above 0.50%							

**(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: Tarheel Advisors, LLC	SEC File Number:  801-	Date:  01/15/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:  Tarheel Advisors, LLC	IRS Empl. Ident. No.:  26-3925516
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Item of Form (identify)	Answer
1C(5)	<i>Commissions:</i> Tarheel Advisors, LLC will be able to receive separate, yet typical compensation for the purchase of insurance products.
3G(1)(2)	Tarheel Advisors, LLC will occasionally provide investment advice relating to life insurance and annuity products. With respect to these products, Tarheel Advisors, LLC will <u>not</u> receive the customary asset management fee provided for in the client agreement as part of its standard fee schedule. All compensation received will come directly from said insurance companies for which our advisors are appointed.
5	Tarheel Advisors, LLC requires that persons providing investment advice be an Investment Advisor Representative with a Series 65 or 66 license or Certified Financial Planner (CFP) designation, two years of financial experience, and have completed a 4 year college degree.
6	<p>Name: Ryan V. Glover Date of Birth: 12/09/1981 Education: UNC Chapel Hill, Bachelor of Arts in Economics Licenses: CFP(R), Series 63 &amp; 65 licenses, NC Life/Health Insurance and Long Term Care, NC Real Estate License Industry Experience: Jan 2002-Dec 2006, Scottrade Inc., Stockbroker Dec 2006-Dec 2008, Merrill Lynch, Financial Advisor Jan 2009-Present, Tarheel Advisors, LLC, CIO and Owner Outside Business Activity: Business Consultant and Analyst for Dean's Office Machines (office equipment distributor). 10 to 30 hours a week. Outside Business Activity: Rental Property at 2405 W Cornwallis Dr., 100% owned by Ryan and Marie Glover. 0 to 5 hours a week</p> <p>Name: Walter A. Hinson Date of Birth: 3/19/1981 Education: UNC Chapel Hill, Bachelor of Science in Business Administration Licenses: CFP(R) Series 63 &amp; 65 licenses, NC Life/Health Insurance and Long Term Care Industry Experience: Feb 2002-Dec 2006, Scottrade Inc., Stockbroker Dec 2006-Dec 2008, Merrill Lynch, Financial Advisor Jan 2009-Present, Tarheel Advisors, LLC, CEO and Owner</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: Tarheel Advisors, LLC	SEC File Number:  801-	Date:  01/15/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Tarheel Advisors, LLC</b>		IRS Empl. Ident. No.: <b>26-3925516</b>
Item of Form (identify)	Answer	
7B	Investment Advisor Representatives for Tarheel Advisors, LLC will sell life, health, and fixed insurance products. Currently less than 5% of revenue is generated from the sale of insurance products.	
8C(9)	Investment Advisor Representatives for Tarheel Advisors, LLC are also licensed and registered as insurance agents for various insurance companies. Therefore, they will be able to purchase insurance products for any client in need of such services and will receive separate, yet typical compensation for the purchase of insurance products. Clients are not obligated to use Tarheel Advisors, LLC for insurance products services.	
9E	Tarheel Advisors, LLC will from time to time purchase or sell products that they may advise. Restrictions are they must place the client's interest first. They may not purchase a security that they are recommending they sell or vice versa. Supervisory Principals must review trades regularly to ensure clients orders were handled first and they review for cross trades with a client since that is prohibited.	
12A(1)(2)	<p><b><i>Investment Discretion:</i></b> Generally, Clients grant Tarheel Advisors, LLC complete discretion over the selection and amount of securities to be bought or sold for their account (within the parameters established by their Advisory Agreement) without obtaining their consent or approval. However, these purchases may be subject to specified investment objectives and guidelines. For example, a Client may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio. Discretionary authority will only be authorized upon full disclosure to the client and by that client specifically authorizing said authority through the execution of an Investment Advisory Agreement. All discretionary trades made by Tarheel Advisors, LLC on behalf of their discretionary accounts (clients) will be in accordance with that client's investment objectives and goals.</p> <p>Our primary objective in placing orders for the purchase and sale of securities for client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the broker. Tarheel Advisors, LLC will execute its transactions through an unaffiliated broker-dealer. The broker dealer will be chosen based on the following: 1) the broker's capital depth, 2) the broker's market access, 3) the broker's transaction confirmation and account statement practices, 4) our knowledge of negotiated commission rates and spreads currently made available, 5) the nature and character of the markets for the security to be purchased or sold, 6) the desired timing of the transaction, 7) the execution, 8) clearance and settlement capabilities of the broker selected and others considered, 9) our knowledge of any actual or apparent operational problems of a broker and 10) the reasonableness of the commission or its equivalent for the specific transaction.</p> <p>We will not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker. This would justify higher commissions (or their equivalent) than other transactions requiring routine services.</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: Tarheel Advisors, LLC	SEC File Number:  801-	Date:  01/15/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Tarheel Advisors, LLC</b>	IRS Empl. Ident. No.: <b>26-3925516</b>
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Item of Form (identify)	Answer
12B	<p>Tarheel Advisors, LLC may aggregate orders in a block trade or trades when securities are purchased or sold through the same broker-dealer for multiple (discretionary) accounts. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular client accounts. For example, a partial fill will generally be filled pro-rata among participating accounts. Prior to entry of a block trade, a written pre-allocation will be generated which identifies the group of client accounts participating in the order.</p> <p>Changes in allocation prior to final allocation may be made for good cause provided that all client accounts receive fair and equitable treatment. A written explanation of the reason for any material change in the allocation must be provided to and approved by the Chief Compliance Officer.</p> <p>Tarheel Advisors, LLC does reserve the right to refer clients to other investment advisors and firms. Tarheel Advisors, LLC only refers clients to other full service brokers or planners who have obtained the CFP or CFA designations. Tarheel Advisors, LLC is compensated by other firms by a set percentage (typically 20%) of advisory fees generated. Client commissions, fees, and services are unaffected by this referral relationship.</p> <p style="text-align: center;"><b>Code of Ethics</b></p> <p>Tarheel Advisors, LLC maintains a code of ethics and they will provide a copy to any client or prospective client upon request and maintain at <a href="http://www.tarheeladvisors.com">www.tarheeladvisors.com</a>.</p> <p style="text-align: center;"><b>Proxy Voting</b></p> <p>Tarheel Advisors, LLC will not vote, nor advise clients how to vote proxies for securities held in client accounts. The client clearly keeps the authority and responsibility for the voting of these proxies. Also, Tarheel Advisors, LLC cannot give any advice or take any action with respect to the voting of these proxies. The client and Tarheel Advisors, LLC agree to this by contract. For accounts subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”), the plan fiduciary specifically keeps the authority and responsibility for the voting of any proxies for securities held in plan accounts. Also, Tarheel Advisors, LLC cannot give any advice or take action with respect to the voting of these proxies.</p> <p style="text-align: center;"><b>Privacy Policy</b></p> <p>Tarheel Advisors, LLC never discloses the nonpublic personal information collected about its clients to anyone except in furtherance of our business relationship, and then only to those persons necessary to effect the transactions and provide the services that Client authorize (such as broker dealers, custodians, investment managers etc.) or as otherwise provided by law.</p>

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