

Sutton & Associates, LLC

Client Brochure

This brochure provides information about the qualifications and business practices of Sutton & Associates, LLC. If you have any questions about the contents of this brochure, please contact us at (888) 633-5420 or by email at info@sutton-associates.net. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Sutton & Associates, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Sutton & Associates, LLC's CRD number is: 146287

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Registration does not imply a certain level of skill or training.

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Item 2: Material Changes

Sutton & Associates, LLC has not yet filed an annual updating amendment using the ADV Form 2A. Therefore there are no material changes to report.

Item 3: Table of Contents

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Item 4: Advisory Business

A. Description of the Advisory Firm

This firm has been in business since April 7, 2008, and the principal owner is Andrew William Sutton.

B. Types of Advisory Services

Sutton & Associates, LLC (hereinafter "SA") offers the following services to advisory clients:

Investment Supervisory Services

SA offers nondiscretionary, ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. SA creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan (the Investment Policy Statement) to aid in the selection of a portfolio that matches each client's specific situation. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

SA evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

Financial Planning

Financial plans and financial planning may include, but are not limited to: investment planning, life insurance; tax concerns; retirement planning; college planning; and debt/credit planning. These services are based on fixed fees or hourly fees and the final fee structure is documented in Exhibit II of the Financial Planning Agreement.

Newsletter

SA publishes a monthly newsletter, *The Centsible Investor*, providing general financial advice. It is free for clients, but the general public may purchase a subscription in either 1 or 2 year blocks.

Services Limited to Specific Types of Investments

SA limits its investment advice and/or money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, hedge funds, third party money managers, REITs, private placements, government securities. SA may use other securities as well to help diversify a portfolio when applicable.

C. Client Tailored Services and Client Imposed Restrictions

SA offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent SA from properly servicing the client account, or if the restrictions would require SA to deviate from its standard suite of services, SA reserves the right to end the relationship.

D. Wrap Fee Programs

SA does not participate in any wrap fee programs.

E. Amounts Under Management

SA has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$0.00	\$2,211,398.25	01/13/2011

Item 5: Fees and Compensation

A. Fee Schedule

Investment Supervisory Services Fees

Total Assets Under Management	Annual Fee
\$1 - \$100,000	1.20% and \$250 Fee
\$100,001 - \$250,000	1.00% and \$250 Fee
\$250,001 - \$500,000	1.00%
Above \$500,000	0.80%

These fees are negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid quarterly in arrears, and clients may terminate their contracts with thirty days' written notice. Because fees are charged in arrears, no refund policy is necessary. Clients may terminate their accounts without penalty within 5 business days of signing the advisory contract.

Advisory fees are withdrawn directly from the client's accounts with client written authorization.

Because client fees will be withdrawn directly from client accounts, this advisor must: (A) Possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian; (B) Send the qualified custodian written notice of the amount of the fee to be deducted from the client's account; and (C) Send the client a written invoice itemizing the fee, including any formula used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee was based.

Financial Planning Fees

Fixed Fees

Depending upon the complexity of the situation and the needs of the client, the rate for creating client financial plans is between \$100 and \$1,000. Fees are paid in arrears upon completion. Because fees are charged in arrears, no refund is necessary. The fees are negotiable and the final fee schedule will be attached as Exhibit II of the Financial Planning Agreement. Clients may terminate their contracts without penalty within five business days of signing the advisory contract.

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Hourly Fees

The hourly fee for these services is \$50. The fees are negotiable and the final fee schedule will be attached as Exhibit II of the Financial Planning Agreement. Fees are paid in arrears upon completion. Because fees are charged in arrears, no refund is necessary. Clients may terminate their contracts without penalty within five business days of signing the advisory contract.

Subscription Fees

The Centsible Investor is a monthly newsletter that costs \$129 for one year or \$199 for two years with payments due at the beginning of the subscription period. Newsletters will be provided via postal mail or electronic mail and may be cancelled by giving 30 days written notice. Any fees collected, but unearned, will be refunded by IA at the time of cancellation.

B. Payment of Fees

Payment of Investment Supervisory Fees

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid quarterly in arrears.

Advisory fees may be invoiced and billed directly to the client in arrears with payments due after the end of the quarter. Clients may select the method in which they are billed.

Payment of Financial Planning Fees

Hourly Financial Planning fees are paid via check, PayPal, or money order in arrears upon completion. Because fees are charged in arrears, no refund is necessary.

Fixed Financial Planning fees are paid via check, PayPal, or money order in arrears upon completion. Because fees are charged in arrears, no refund is necessary.

Payment of Subscription Fees

Subscription fees are collected at beginning of subscription period via check, PayPal or money order. If cancelled early, refund is prorated by the month and unused portion of the subscription price is refunded either by Paypal or check based on preference of customer.

C. Clients Are Responsible For Third Party Fees

Clients are responsible for the payment of all third party fees (i.e. custodian fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by SA. Please see Item 12 of this brochure regarding broker/custodian.

D. Prepayment of Fees

SA collects fees in advance and in arrears. Fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination and the total days during the billing period. Fees will be returned within fourteen days to the client via check or PayPal.

E. Outside Compensation For the Sale of Securities to Clients

Neither SA nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

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

SA does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7: Types of Clients

SA generally provides investment advice and/or management supervisory services to the following Types of Clients:

- ❖ Individuals
- ❖ Corporations or Business Entities

Minimum Account Size

There is an account minimum, \$5,000, which may be waived by the investment advisor, based on the needs of the client and the complexity of the situation.

Item 8: Methods of Analysis, Investment Strategies, and Risk of Investment Loss

A. Methods of Analysis and Investment Strategies

SA's methods of analysis include charting analysis, fundamental analysis, technical analysis, and cyclical analysis.

Charting analysis involves the use of patterns in performance charts. SA uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Technical analysis involves the analysis of past market data; primarily price and volume.

Cyclical analysis involved the analysis of business cycles to find favorable conditions for buying and/or selling a security.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved

SA uses Long Term Trading, Short Term Trading, and Options Writing Strategies (including covered options, uncovered options, or spreading strategies).

SA utilizes investment strategies that are designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes. Short sales and options writing generally hold greater risk and clients should be aware that there is a chance of material risk of loss using any of those strategies.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized

SA generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets.

Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business or the integrity of our management.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Neither SA nor its representatives are registered as a broker/dealer or as representatives of a broker/dealer.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither SA nor its representatives are registered as a FCM, CPO, or CTA.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Neither SA nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

D. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections

SA does not utilize nor select other advisors or third party managers. All assets are managed by SA management.

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

A. Code of Ethics

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Clients may request a copy of our Code of Ethics from management.

B. Recommendations Involving Material Financial Interests

SA does not recommend that clients buy or sell any security in which a related person to SA has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of SA may buy or sell securities for themselves that they also recommend to clients. SA will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of SA may buy or sell securities for themselves at or around the same time as clients. SA will not trade non-mutual fund or non-ETF securities 5 days prior to or 5 days after trading the same security for clients.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

The Custodian was chosen based on their relatively low transaction fees and access to mutual funds and ETFs. SA will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

1. *Research and Other Soft-Dollar Benefits*

SA receives no research, product, or service other than execution from a broker-dealer or third-party in connection with client securities transactions ("soft dollar benefits").

2. *Brokerage for Client Referrals*

SA receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. *Clients Directing Which Broker/Dealer/Custodian to Use*

SA will not allow clients to direct SA to use a specific broker-dealer to execute transactions. Clients must use SA recommended custodian (broker-dealer). Not all investment advisers require their clients to direct brokerage. By requiring clients to use our specific custodian, SA may be unable to achieve most favorable execution of client transactions and this may cost clients money over using a lower-cost custodian. Applicable for Supervised Accounts only.

B. Aggregating (Block) Trading for Multiple Client Accounts

SA maintains the ability to block trade purchases across accounts. While block trading may benefit clients by purchasing larger blocks in groups, we do not feel that the clients are at a disadvantage due to the best execution practices of our custodian.

Item 13: Reviews of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

Client accounts are reviewed at least quarterly only by Andrew William Sutton, Managing Member. Andrew William Sutton is the chief advisor and is instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at IA are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Andrew William Sutton, Managing Member. There is only one level of review and that is the total review conducted to create the financial plan.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

C. Content and Frequency of Regular Reports Provided to Clients

Each client will receive at least monthly a written report detailing the clients account which will come from the custodian.

Clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

SA does not receive any economic benefit, directly or indirectly from any third party for advice rendered to SA clients.

B. Compensation to Non -Advisory Personnel for Client Referrals

SA does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

Item 15: Custody

SA does not take custody of client accounts at any time. Custody of client's accounts is held primarily at the Custodian. Clients will receive account statements from the custodian and should carefully review those statements.

Item 16: Investment Discretion

SA does not have discretion over client accounts at any time.

Item 17: Voting Client Securities (Proxy Voting)

SA will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 18: Financial Information

A. Balance Sheet

SA does not require nor solicit prepayment of more than \$500 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither SA nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

SA has not been the subject of a bankruptcy petition in the last ten years.

Item 19: Requirements For State Registered Advisers

A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background

SA currently has only one management person and only one executive officer; Andrew William Sutton. Andrew William Sutton's education and business background can be found on the Supplemental ADV Part 2B form.

B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)

Andrew William Sutton's other business activities can be found on the Supplemental ADV Part 2B form.

C. How Performance Based Fees are Calculated and Degree of Risk to Clients

SA does not accept performance-based fees or other fees based on a share of capital gains or capital appreciation of the assets of a client.

D. Material Disciplinary Disclosures for Management Persons of this Firm

No management person at SA has been involved in an arbitration claim or been found liable in a civil, self-regulatory organization, or administrative proceeding that is material to the client's evaluation of the firm or its management.

E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)

Neither SA, nor its management persons, has any relationship or arrangement with issuers of securities.