

Item 1 - Cover Page

Aldebaran Financial Inc
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Kingsport, TN 37663
423-239-7535
www.aldebaranfinancial.com
3/21/2011

This Brochure provides information about the qualifications and business practices of Aldebaran Financial Inc. If you have any questions about the contents of this Brochure, please contact us at 423-239-7535 or Aldebaran@aldebaranfinancial.com. 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.

Aldebaran Financial Inc. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Aldebaran Financial Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated 3/21/2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Peter Raber, Vice President & Chief Compliance Officer at 423-239-7535 or Aldebaran@aldebaranfinancial.com. Our Brochure is also available on our web site www.aldebaranfinancial.com, also free of charge.

Additional information about Aldebaran Financial Inc. is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with Aldebaran Financial Inc. who are registered, or are required to be registered, as investment adviser representatives of Aldebaran Financial Inc.

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Item 4 – Advisory Business

Aldebaran Financial, Inc. provides investment advice and supervisory services to a variety of clients. These include individuals, pension and profit sharing plans, trusts, estates, and other business entities. Aldebaran also provides consulting services to clients outside of direct management and supervision of assets, and such advice does not necessarily include matters involving securities. For such services, Aldebaran has a basic fee schedule for managed assets and negotiable fees for other situations.

Item 5 – Fees and Compensation

All fees are subject to negotiation. Aldebaran Financial Inc. basic fee schedule is 0.75% annually of managed assets. This is subject to review of services provided, and certain fees are negotiable based on account mix and client relationship.

The specific manner in which fees are charged by Aldebaran Financial Inc. is established in a client's written agreement with Aldebaran Financial Inc. These fees will generally be billed on a quarterly basis. Clients are billed in arrears for each calendar quarter. Clients may also elect to be billed directly for fees or to authorize Aldebaran Financial Inc. to directly debit fees from client accounts. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Aldebaran Financial Inc.'s fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Aldebaran Financial Inc.'s fee, and Aldebaran Financial Inc. shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that Aldebaran Financial Inc. considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

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

Aldebaran Financial Inc. does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

Aldebaran Financial Inc. provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, Taft-Hartley plans, charitable institutions, foundations, endowments, and other U.S. and international institutions.

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

Security analysis methods at Aldebaran Financial Inc. include fundamental and technical analysis. The main sources of information include Morningstar reports, fund prospectuses, S&P reports, Argus reports, Thompson Reuters Stock Reports, financial newspapers and magazines, research materials prepared by others, filings with the Securities and Exchange Commission, and annual reports.

The primary investment strategy we use for client accounts is strategic asset allocation. We may use passive and actively managed mutual funds, exchange-traded funds and when appropriate for the client and individual stocks, options and individual municipal bonds where there are opportunities to make a difference by security selection. Portfolios are generally globally diversified to control the risk associated with traditional markets. The investment strategy for a specific client is based upon the objectives, income needs, and tax situation stated by the client during consultations. The client may change these objectives at any time. Each client portfolio is constructed solely for that client.

All investment programs have certain risks that are borne by the investor. Our investment approach keeps the risk of loss in mind. However, as with all investments, clients face investment risks including the following: Loss of Principal Risk, Interest-rate Risk, Market Risk, Inflation Risk, Currency Risk, Reinvestment Risk, Business Risk, Liquidity Risk, and Financial Risk.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Aldebaran Financial Inc. or the integrity of management. Aldebaran Financial Inc. has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Each year Aldebaran Financial Inc. prepares the tax returns for number of their clients. These returns are simple in nature and include individual, trust, estate, and small business returns. For all complex tax returns Aldebaran recommends that their clients obtain a firm a firm that specializes in tax preparation.

Item 11 – Code of Ethics

Aldebaran Financial Inc. has adopted a Code of Ethics for all persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to Standards of Business Conduct and Ethics, Knowledge of and Compliance with Regulations, Diligence in Recommendations and Actions, Disclosure of Conflicts of Interest, Personal Trading and Confidentiality of Client Information. All supervised persons at Aldebaran Financial Inc. must acknowledge the terms of the Code of Ethics annually, or as amended.

Aldebaran Financial Inc. anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Aldebaran Financial Inc. has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Aldebaran Financial Inc. or its employees, have a position of interest. Aldebaran Financial Inc.'s are required to follow the company's Code of Ethics.

Subject to satisfying this policy and applicable laws, officers, directors and employees may trade for their own accounts in securities which are recommended to and/or purchased for Aldebaran Financial Inc.'s clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Aldebaran Financial Inc.

will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Aldebaran Financial Inc. and its clients.

Aldebaran Financial Inc.'s clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Peter W Raber via phone at 423-239-7535 or email Aldebaran@aldebaranfinancial.com

It is Aldebaran Financial Inc.'s policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Aldebaran Financial Inc. will also not cross trades between client accounts without both the written request, in advance, of both Company clients and the written consent of the President of the Company.

Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Item 12 - Brokerage Practices

Custodian Selection:

Aldebaran holds all customer cash and securities with either corporate trust departments of banks or in custodian accounts at broker dealer members of the New York Stock Exchange. In this process, Aldebaran asks a new client if they wish to continue with a previously existing broker dealer relationship. If not, Aldebaran will suggest a number of member firms currently used as custodians. Normally, accounts of the clients are placed where a specific firm has a particular expertise, such as over the counter securities, options, municipal bonds, or other government securities. No firm used by Aldebaran requires a minimum commission business for their custodial services or for

investment literature to be provided by Aldebaran. No firm is precluded by Aldebaran from making an offering for a client account. If said offering is competitive, Aldebaran will purchase it with delivery to the custodian versus payment.

Aldebaran currently recommends that its clients use TD Ameritrade as their custodian and broker. However, Aldebaran is committed to obtaining the best possible custodian relationship for its client according to reviews of other possible custodians on a consistent basis. The most recent custodial review began in October of 2007 and was completed in March of 2009. This review determined that TD Ameritrade's new platform met the requirements required both by our internal needs and the needs of our clients. Since March of 2009, Aldebaran has maintained its contacts with other custodians should the need arise to make a change in the future.

The commission rates paid by each individual account are based on the best case negotiation of the investment officer for Aldebaran on behalf of the client. The commissions paid are usually close to or at those of the major discount brokers. All costs are considered when making a trade, including commissions, delivery fees, market impact, tax ramifications, and opportunity costs. Since fixed income security trades seldom show the commission, Aldebaran negotiates each fixed income security purchase based off the US Treasury yield curve. These trades are reviewed by the President or the Vice President of Operations for Aldebaran. Aldebaran maintains a policy on obtaining the best execution possible in its policies and procedures manual, which is available to clients upon request. Aldebaran receives no portion of the commission paid by its clients.

Soft Dollar Practices:

While in the course of business, Company investment officers deal often with brokers and dealers of securities. As a result of the nature of Company business, however, the Company uses neither "soft dollar" arrangements nor "directed brokerage" arrangements.

Item 13 – Review of Accounts

Aldebaran Financial, Incorporated (below as Aldebaran) has four investment review personnel: Donald R. Raber (President), Peter W. Raber (Vice President of Operations), Mark D. Yankee (Senior Portfolio Manager), and Justin A. Lester (Portfolio Manager). These four individuals jointly review all accounts at least quarterly and in most cases monthly. Other reviews of accounts occur on a regular basis, at the request of the client, on new information about an investment, changes in tax laws, or other important changes and as market conditions dictate.

Statements and trade confirmations from either broker dealers of the New York Stock Exchange or corporate trust departments serve as monthly, regular reports to clients on their accounts. These statements outline all securities positions, monthly activity in accounts, and current market value.

Item 14 - *Client Referrals and Other Compensation*

Aldebaran Financial Inc., has been fortunate to receive many client referrals over the years. The referrals have come from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other sources. The firm does not pay for referrals.

Aldebaran Financial Inc., does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Item 15 - *Custody*

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Aldebaran Financial Inc., urges you to carefully review such statements and compare such official custodial records to the account reports that we may provide to you. Our reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

According to a recent ruling by the SEC, investment advisers are deemed to have "custody" of client funds if certain conditions are met. From time to time, Aldebaran Financial Inc., may be technically considered to have "custody" of certain types of accounts, such as when either the company or an employee acts as a trustee of an unrelated trust and Aldebaran Financial, Inc. acts as the investment adviser to that trust. In this case, the SEC requires an annual surprise audit of those "custodied" accounts by an independent CPA firm. Aldebaran Financial, Inc. complies with this requirement.

Item 16 – Investment Discretion

Aldebaran Financial, Inc. accepts discretionary authority to manage securities accounts on behalf of clients. Aldebaran Financial, Inc. has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, if discretionary authority or a limited power of attorney has not been given, Aldebaran Financial, Inc. consults with the client prior to each trade to obtain concurrence. Discretionary trading authority facilitates placing trades in clients' accounts on their behalf so that we may promptly implement the investment policy that they have approved. In most cases, clients are provided with an opportunity for review and discussion prior to implementation of recommendations.

When selecting securities and determining amounts, Aldebaran Financial, Inc. observes the investment policies, limitations and restrictions of the clients for which it advises.

Item 17 – Voting *Client* Securities

Aldebaran Financial, Inc. currently offers its clients the service of voting the proxies on the securities in their account for them. Should clients choose this service, Aldebaran Financial, Inc. has a stated policy on the voting and recording of all proxy votes.

All annual reports with proxy materials enclosed will be opened immediately upon receipt and said proxies will be voted within 12 hours of their respective receipt and preferably sooner. All voting will be done electronically and then recorded for a permanent record that will be available for any regulatory purpose. The intentions of the proxies voted are to properly represent the wishes of the clients of Aldebaran Financial, Inc. and to insure that those companies of whom the client has investments represent the best interests of clients as well as the management and other shareholders of the respective companies.

The responsibility for the voting of proxies resides with the President of Aldebaran Financial, Inc. with the assistance of one of the other portfolio managers of the company. Voting will be electronically submitted under www.proxyvote.com to insure accurate and immediate voting on behalf of our customer base.

Aldebaran Financial, Inc.'s policies for voting each type of proxy and how to vote in each particular situation are outlined in detail in the company's policies and procedures manual.

These policies are available upon request of the client. In addition a record is keep of any proxy voted and it can also be provided to the client upon request.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Aldebaran Financial, Inc.’s financial condition. Aldebaran Financial, Inc. has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Brochure Supplement (Part 2B of Form ADV)

Supervised Persons

Officers: Donald Raber, Loyce Raber, Peter Raber
Employees: Justin Lester, Katherine Raber, Mark Yankee,
Christine Yankee

Aldebaran Financial, Inc.,
4105 Fort Henry Drive, Suite 305
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www.aldebaranfinancial.com

As of December 31, 2010

This brochure supplement provides information about Donald Raber, Loyce Raber, Peter Raber, Justin Lester, Katherine Raber, Mark Yankee, and Christine Yankee that supplements the Aldebaran Financial, Inc. brochure. You should have received a copy of that brochure. Please contact Peter Raber, Vice President and Chief Compliance Officer, if you did not receive Aldebaran Financial, Inc.'s brochure or if you have any questions about the contents of this supplement.

Additional information about Donald Raber, Peter Raber, Justin Lester, and Mark Yankee is available on the SEC's website at www.adviserinfo.sec.gov.

Education and Business Standards

Each individual responsible for either providing investment advice or for reviewing investment accounts for Aldebaran must have at least a college education, a minimum of five years investment background, or a combination herein.

Donald R. Raber (DOB: 4/1/1943):

President (8/1991 - present)

BBA, Management, Hofstra University, 1967

Specialized courses, New York College of Graduate Studies

MBA, Finance, West Virginia College of Graduate Studies, 1976

(now Marshall University)

CFSC, Trust Administration, National Graduate Trust School of Northwestern University, 1983

Executive Development Program, University of Tennessee, 1985

Industry Experience:

Prior to founding Aldebaran Financial, Inc. in 1991, Donald served in the United States Navy from 1960 - 1964. Don has worked on Wall Street in New York and has headed two bank Trust departments in addition to serving as a Senior Officer of those banks. Don is currently on the Executive Board of the East Tennessee State University Foundation and chairs its Investment Committee. Don is a Trustee of Tusculum College and serves as the chair of its Finance & Investment Committee and serves on the Executive Committee of the Board of Trustees. Don been named as an Advisory Board Member of the Richard Riley Institute at Furman University in Greenville, South Carolina. Don is a Board member of the Bank of Tennessee and Chairs the Asset/Liability Committee and serves on the Loan Committee.

Disciplinary Information: None

Other Professional Activities: Member of the Board of Directors of Bank of Tennessee

Additional Compensation: Donald receives Directors fees for his work with Bank of Tennessee

Supervision:

Donald's compliance-related activities are supervised by Peter Raber, Vice President of Operations and Chief Compliance Officer. He reviews Don's work through frequent office interactions. He also reviews Don's activities through our various internal checks and balances.

Peter Raber's contact information:

423-239-7535 • Aldebaran@aldebaranfinancial.com

Peter W. Raber (DOB: 5/17/1981):

Vice President of Operations, Chief Compliance Officer, Portfolio Manager
BS, Economics, Emory and Henry College, 2003
MBA, Finance, East Tennessee State University, 2006

Industry Experience:

Peter has served as Portfolio Manager (1/2008 - present); Vice President of Operations, Portfolio Manager (5/2003 - 1/2008); Vice President (7/1999 - 5/2003); Office Assistant (5/1995 - 7/1999) for Aldebaran Financial, Inc. He holds the Series 65 (Investment Adviser Representative) license.

Disciplinary Information: None

Other Professional Activities: None

Additional Compensation: None

Supervision:

Peter Raber is supervised by Donald Raber, President. He reviews Peter work through frequent office interactions. He also reviews Peter activities through our various internal checks and balances.

Donald Raber's contact information:

423-239-7535 • Aldebaran@aldebaranfinancial.com

Loyce C. Raber (DOB: 1/6/1947):
Secretary and Treasurer (8/1991 - present)

Industry Experience:

Loyce has served as Office Manager and Secretary since the firm was established in 1991.

Disciplinary Information: None

Other Professional Activities: None

Additional Compensation: None

Supervision:

Loyce Raber is supervised by Peter Raber, Vice President of Operations and Chief Compliance Officer. He reviews Loyce's work through frequent office interactions. He also reviews Loyce's activities through our various checks and balances.

Peter Raber's contact information:

423-239-7535 • Aldebaran@aldebaranfinancial.com

Justin A. Lester (DOB: 3/24/1981):

Portfolio Manager (3/2008 - present) BS, Business Administration and Finance,
University of Tennessee 2003

MBA, Finance, East Tennessee State University, 2008

Industry Experience:

Justin served as an Investment Assistant (6/2004 - 3/2008) for Aldebaran Financial, Inc. He holds the Series 65 (Investment Adviser Representative) license.

Disciplinary Information: None

Other Professional Activities: None

Additional Compensation: None

Supervision:

Justin Lester is supervised by Peter Raber, Vice President of Operations and Chief Compliance Officer. He reviews Justin's work through frequent office interactions. He also reviews Justin's activities through our various checks and balances.

Peter Raber's contact information:

423-239-7535 • Aldebaran@aldebaranfinancial.com

Katherine A. Raber (DOB 6/18/1981:)
Administrative Assistant (3/2004 - present)
BS, Geography, Emory and Henry College, 2003

Industry Experience:
None Prior to Aldebaran

Disciplinary Information: None

Other Professional Activities: None

Additional Compensation: None

Supervision:

Katherine Raber is supervised by Peter Raber, Vice President of Operations and Chief Compliance Officer. He reviews Katherine's work through frequent office interactions. He also reviews Katherine's activities through our various checks and balances.

Peter Raber's contact information:
423-239-7535 • Aldebaran@aldebaranfinancial.com

Mark D. Yankee (DOB: 3/6/1966)
Senior Portfolio Manager (2/1994 - present)
BS, Business Administration and Finance, University of Tennessee 2003

Business Experience:

Mark holds the Series 65 (Investment Adviser Representative) license.

Disciplinary Information: None

Other Professional Activities: None

Additional Compensation: None

Supervision:

Mark Yankee is supervised by Peter Raber, Vice President of Operations and Chief Compliance Officer. He reviews Mark's work through frequent office interactions. He also reviews Mark's activities through our various checks and balances.

Peter Raber's contact information:

423-239-7535 • Aldebaran@aldebaranfinancial.com

Christine H. Yankee (DOB 1/28/1972:)
Administrative Assistant (8/1999 - present)

Business Experience:

Christine worked for AmSouth Bank (now Regions Financial).

Disciplinary Information: None

Other Professional Activities: None

Additional Compensation: None

Supervision:

Christine Yankee is supervised by Peter Raber, Vice President of Operations and Chief Compliance Officer. He reviews Christine's work through frequent office interactions. He also reviews Christine's activities through our various checks and balances.

Peter Raber's contact information:

423-239-7535 • Aldebaran@aldebaranfinancial.com