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FORM ADV PART 2 BROCHURE

This brochure provides information about the qualifications and business practices of Charles De Rose, Inc. If you have any questions about the contents of this brochure, please contact us at (800) 678-3620 or charlesderose@comcast.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 Charles De Rose, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Charles De Rose, Inc. is 112599.

Charles De Rose, Inc. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

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Advisory Business

Form ADV Part 2A, Item 4

Description of Services and Fees

Charles De Rose, Inc. is registered as an investment adviser with the United States Securities and Exchange Commission. We are a fee-only, independent financial advisor that provides investment management services for its clients. The firm is based in Charleston, South Carolina and is organized as a corporation under the laws of the State of Florida. We have been providing investment advisory services since 1987. Charles E. De Rose is the principal owner of the firm.

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we," "our" and "us" refer to Charles De Rose, Inc. and the words "you," "your" and "client" refer to you as either a client or prospective client of our firm.

Additionally, you may see the term Associated Person throughout this brochure. As used in this brochure, our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm. Currently Mr. De Rose is the only person providing investment advice on behalf of the firm. Therefore, the use of the words "we," "our," and "us" are not intended to imply that there is more than one person providing investment advice on behalf of the firm.

Portfolio Management Services

We offer discretionary and non-discretionary portfolio management services to our clients and prospective clients. Our investment advice is tailored to meet our clients' needs and investment objectives. If you retain our firm for portfolio management services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information (the "suitability information") at the beginning of our advisory relationship. We will use the suitability information we gather from our initial meeting to develop a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf. As part of our portfolio management services, we may customize an investment portfolio for you in accordance with your risk tolerance and investing objectives. We may also invest your assets using a predefined strategy, or we may invest your assets according to one or more model portfolios developed by our firm. Once we construct an investment portfolio for you, or select a model portfolio, we will monitor your portfolio's performance on an ongoing basis, and will rebalance the portfolio as required by changes in market conditions and in your financial circumstances.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow our firm to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm, a power of attorney, or trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing. If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account.

Our fee for portfolio management services is based on a percentage of your assets we manage and is set forth in the following fee schedule:

Assets Under Management	Annual Fee
Up to \$ 1,000,000	1.25%
Over \$ 1,000,000	1.00%

Our annual portfolio management fee is billed and payable quarterly in advance based on the value of your account on the last day of the previous quarter.

If the portfolio management agreement is executed at any time other than the first day of a calendar quarter,

our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances. Existing clients may pay lower fees based on earlier fee schedules, or may have negotiated different fees or payment arrangements.

In general, we require a minimum of \$500,000 to open and maintain an advisory account. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management. We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum. Additionally, upon retirement, withdrawals from your account for your living or other expenses may cause your aggregated accounts to fall below the stated minimum. Generally, we will continue to manage the accounts that fall below the stated minimum, unless we determine upon consultation with you that it has become too small to effectively manage.

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy. We will also have access to a duplicate copy of your account statements.

You may terminate the portfolio management agreement upon 30-days' written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

We encourage you to review your statements from your account custodian(s). If you have questions or if you do not receive a statement, please contact us at the number on the cover page of this brochure or contact your custodian directly.

Selection of Other Advisers

As part of our investment advisory services, we may recommend that you use the services of a third party investment adviser ("TPA") to manage your entire, or a portion of your, investment portfolio. After gathering information about your financial situation and objectives, we will recommend that you engage a specific TPA or investment program. For example, we may recommend PIMCO to manage the bond portion of your portfolio, if it is deemed suitable for you based on your individual needs and circumstances. Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the following: the TPA's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We will monitor the TPA(s)' performance to ensure its management and investment style remains aligned with your investment goals and objectives.

The TPA(s) will actively manage your portfolio and may assume discretionary investment authority over your account. We will not manage or obtain investment discretion or trading authority over the assets in your accounts managed by TPA(s). However, we will monitor the TPA(s)' performance to ensure its management and investment style remains aligned with your investment goals and objectives.

You will be required to sign an agreement directly with the recommended TPA(s). You may terminate your advisory relationship with the TPA according to the terms of your agreement with the TPA. You should review each TPA's disclosure brochure for specific information on how you may terminate your advisory relationship with the TPA and how you may receive a refund, if applicable. You should contact the TPA directly for questions regarding your advisory agreement with the TPA.

We do not share in the advisory fee you pay directly to the TPA. Advisory fees charged by TPAs are separate and apart from our advisory fees. Assets managed by TPAs will be included in calculating our advisory fee, which is based on the fee schedule set forth in the "Portfolio Management Services" section above in this brochure. Advisory fees that you pay to the TPA are established and payable in accordance with the brochure provided by

each TPA to whom you are referred. These fees may or may not be negotiable. You should review the recommended TPA's this brochure and take into consideration the TPA's fees along with our fees to determine the total amount of fees associated with this program.

Types of Investments

We generally offer advice on equity securities (including exchange traded funds), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (mutual funds and bond funds), U.S. Government securities, and options contracts on securities.

Additionally, we may advise you on other types of investments that we deem appropriate based on your stated goals and objectives. We may also provide advice on other types of investments held in your portfolio at the inception of our advisory relationship.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

In general, we advocate a long-term investment strategy. However, in limited circumstances, we may utilize short-term investments for strategic purposes. A long-term investment strategy will typically involve investing in securities that are anticipated to grow in value over a relatively long period. A short-term investment strategy will typically involve purchasing and selling securities within a relatively short period of time based on short-term price fluctuations. Please see the *Methods of Analysis, Investment Strategies and Risk of Loss* section below in this brochure for additional information regarding this topic.

Assets Under Management

As of December 31, 2010, we manage \$29,436,269 in client assets on a discretionary basis. We do not manage assets on a non-discretionary basis.

Fees and Compensation

Form ADV Part 2A, Item 5

Please refer to the *Advisory Business* section above in this Brochure for information on our advisory fees, fee deduction arrangements, and refund policy for the services offered.

Additional Fees and Expenses

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through which your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the "Brokerage Practices" section of this Brochure.

Compensation for the Sale of Securities or Other Investment Products

Neither our firm nor our Associated Persons are licensed to sell securities, insurance, or any other investment products. Therefore, they do not earn any additional compensation in the connection with investments made on behalf of your account(s).

Performance-Based Fees and Side-By-Side Management

Form ADV Part 2A, Item 6

We do not accept performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the *Advisory Business* section above, and are not charged based on a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. We do not participate in side-by-side management of your accounts with performance-based fee accounts.

Types of Clients

Form ADV Part 2A, Item 7

We offer investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

In general, we require a minimum of \$500,000 to open and maintain an advisory account. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management. We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum. Additionally, upon retirement, withdrawals from your account for your living or other expenses may cause your aggregated accounts to fall below the stated minimum. Generally, we will continue to manage the accounts that fall below the stated minimum, unless we determine upon consultation with you that it has become too small to effectively manage.

Methods of Analysis, Investment Strategies and Risk of Loss

Form ADV Part 2A, Item 8

Our Methods of Analysis and Investment Strategies

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

No investment strategy or method of analysis can assure that any trade or investment will result in a profit. Furthermore, each client must understand that any trade or investment could result in a loss and that the value of any client portfolio could decline below the original investment.

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

Fundamental Analysis – involves analyzing individual companies and their industry groups, such as a

company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data are used to measure the intrinsic value of the company's stock compared to the current market value. Risks associated with fundamental analysis include that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Long-Term Purchases – securities purchased with the expectation that the value of those securities will grow over a relatively long period, generally greater than one year. Long-term purchases may be affected by unforeseen long-term changes in the company in which you are invested or in the overall market.

Short-Term Purchases and Trading – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations. We may use trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s). Trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk. However, frequent trading can negatively affect investment performance, particularly through increased brokerage and other transactional costs and taxes.

Tax Considerations

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Recommendation of Particular Types of Securities

As disclosed under the *Advisory Business* section in this brochure, we advise on various types of securities. We do not necessarily recommend one particular type of security over another, since each client has different needs and different tolerances for risk. Each type of security has its own unique set of associated risks. Risks can vary widely, even within the same type of securities. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

We do recommend mutual funds and some exchange traded funds. Mutual funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and exchange-traded funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. The returns on mutual

funds and exchange-traded funds can be reduced by the costs to manage the funds. In addition, while some mutual funds are “no load” and charge no fee to buy into, or sell out of, the fund, other types of mutual funds charge such fees, which can also reduce returns. Mutual funds can also be “closed end” or “open end.” So-called “open end” mutual funds continue to allow in new investors indefinitely, which can dilute other investors’ interests. We primarily recommend no-load funds.

We also recommend "bond funds" (sometimes called "income funds") are a type of investment company (mutual fund, closed-end fund, or unit investment trust (UIT)) that invests primarily in bonds or other types of debt securities. Depending on its investment objectives and policies, a bond fund may concentrate its investments in a particular type of bond or debt security—such as government bonds, municipal bonds, corporate bonds, convertible bonds, mortgage-backed securities, zero-coupon bonds—or a mixture of types. The securities that bond funds hold will vary in terms of risk, return, duration, volatility and other features. A common misconception among some investors is that bonds and bond funds have little or no risk. Like any investment, bond funds are subject to a number of investment risks including credit risk, interest rate risk, and prepayment risk. A bond fund’s prospectus should disclose these and any other risks. Before investing in a bond fund, you should carefully read all of the fund’s available information, including its prospectus and most recent shareholder report. Credit risk is the risk that the issuers of the bonds owned by a fund may default (fail to pay the debt that they owe on the bonds that they have issued). This risk may be minimal for funds that invest in U.S. Government bonds. Interest rate risk is the risk that the market value of the bonds owned by a fund will fluctuate as interest rates go up and down. For example, when interest rates go up, the market value of bonds owned by a fund generally will go down. Nearly all bond funds are subject to this type of risk, but funds holding bonds with longer maturities are more subject to this risk than funds holding bonds with shorter maturities. Because of this type of risk, you can lose money in a bond fund, including those that invest only in insured bonds or U.S. Government bonds. Prepayment risk is the risk that the issuers of the bonds owned by a fund will prepay them at a time when interest rates have declined. Because interest rates have declined, the fund may have to reinvest the proceeds in bonds with lower interest rates, which can reduce the fund’s return. (Not all bonds, however, can be prepaid.) Some bond funds invest in municipal bonds that pay interest, which is exempt from federal income taxes. In addition, interest on the bonds of some states is exempt from taxation by that state. Not all of the income that you receive from a municipal bond fund, however, will necessarily be exempt from federal or state income tax. The fund’s prospectus will describe any of its tax-exempt features.

Disciplinary Information

Form ADV Part 2A, Item 9

Charles DeRose, Inc. has been registered and providing investment advisory services since 1987. Neither our firm nor any of our associated persons has any reportable disciplinary information.

Other Financial Industry Activities and Affiliations

Form ADV Part 2A, Item 10

Recommendation of Other Advisers

We may recommend that you use a third party adviser (“TPA”) based on your needs and suitability. We do not share in fees paid to TPAs. We do not share in the advisory fee you pay directly to the TPA. Advisory fees charged by TPAs are separate and apart from our advisory fees. Assets managed by TPAs will be included in calculating our advisory fee, which is based on the fee schedule set forth in the "Portfolio Management Services" section above in this brochure. Advisory fees that you pay to the TPA are established and payable in accordance with the brochure provided by each TPA to whom you are referred. These fees may or may not be negotiable. You should review the recommended TPA’s this brochure and take into consideration the TPA’s fees along with our

fees to determine the total amount of fees associated with this program. You are not obligated, contractually or otherwise, to use the services of any TPA we recommend.

Additionally, we utilize the services of an unaffiliated investment adviser, Breiter Capital Management, Inc. (BCM), to provide administrative support for our firm and to provide certain periodic reports to you. BCM is given permission to access account data from the custodian in order to provide reports. BCM does not provide investment advice or recommendations to you. You do not pay additional or higher fees for these services.

We do not have any relationship or arrangement that is material to our advisory business or to our clients with any of the types of entities listed below.

- broker-dealer, municipal securities dealer, or government securities dealer or broker
- investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)
- futures commission merchant, commodity pool operator, or commodity trading advisor
- banking or thrift institution
- accountant or accounting firm
- lawyer or law firm
- insurance company or agency
- pension consultant
- real estate broker or dealer
- sponsor or syndicator of limited partnerships

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

Form ADV Part 2A, Item 11

Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Our Code of Ethics is available to you upon request. You may obtain a copy of our Code of Ethics by contacting us as indicated on the cover page of this brochure.

Participation or Interest in Client Transactions

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

Personal Trading Practices

We may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. As such, we have adopted a written Code of Ethics designed to prevent and detect personal trading activities that may interfere or be in conflict with client

interests, as discussed above in this section.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Brokerage Practices

Form ADV Part 2A, Item 12

While you are free to choose any broker-dealer or other service provider, we recommend that you establish an account with a brokerage firm with which we have an existing relationship. Such relationships may include benefits provided to our firm, including but not limited to, research, market information, and administrative services that help our firm manage your account(s). We believe that recommended broker-dealers provide quality execution services for our clients at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by recommended broker-dealers, including the value of research provided, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of research services and additional brokerage products and services recommended broker-dealers provide, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

We do not maintain custody of your assets that we manage; although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see *Item 15 – Custody*, below). Your assets must be maintained in an account at a qualified custodian, generally a broker/dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account, and will buy and sell securities when we instruct them to. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account as described below (see — *Your Brokerage and Custody Costs*).

How We Select Brokers/Custodians

We seek to use a custodian/broker who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to us and our other clients

In some circumstances, where a client has not previously made custodial arrangements, we may suggest that the client use a particular broker-dealer to act as custodian for the funds and securities we manage. In those cases, we generally only recommend broker-dealers capable of acting as a “prime broker.” Under “prime broker” arrangements, the firm may, on a transaction-by-transaction basis, either use the “prime broker”/custodian or select other broker-dealers, who will execute transactions for settlement into the client’s “prime brokerage” account. In making suggestions as to “prime broker”/custodians, we will consider, among other things, the clearance and settlement capabilities of the broker-dealer where other broker-dealers execute transactions, the broker-dealer’s ability to provide effective and efficient reporting to the client and our firm, the broker-dealer’s reliability and financial stability, and the likelihood that the broker-dealer will often be chosen as executing broker-dealer on the basis of the considerations described above, including the prospects that the broker-dealer will provide valuable research services and products.

Brokerage for Client Referrals

We do not receive client referrals from Schwab or any other broker-dealer in exchange for cash or other compensation, such as brokerage services or research.

Directed Brokerage

We routinely recommend that you direct our firm to execute transactions through Schwab. Given this practice, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services.

In limited circumstances, and at our discretion, some clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. If you choose to direct our firm to use a particular broker, you should understand that this might prevent our firm from aggregating trades with other client accounts. This practice may also prevent our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you.

Block Trades

Where available, we combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as —block trading)). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

We only combine multiple orders for shares of the same securities purchased for discretionary accounts; however, we do not combine orders for non-discretionary accounts. Accordingly, non-discretionary accounts may pay different costs than discretionary accounts pay. If you enter into non-discretionary arrangements with our firm, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than clients who enter into discretionary arrangements with our firm. Mutual Fund shares do not trade in blocks.

Review of Accounts

Form ADV Part 2A, Item 13

Charles E. De Rose, President of Charles De Rose, Inc. will monitor your accounts on an ongoing basis and

will conduct account reviews at least annually and upon your request to ensure that the advisory services provided to you and/or the portfolio mix are consistent with your stated investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals;
- year-end tax planning;
- market moving events;
- security specific events; and/or,
- changes in your risk/return objectives.

Please notify us immediately if your financial situation or goals change.

You will receive trade confirmations and monthly or quarterly statements from your account custodian(s). Where available, you may elect to receive statements and other communications from account custodians electronically. Additionally, we will provide you with quarterly performance reports. We may provide additional written reports in conjunction with account reviews. Reports we provide to you will contain relevant account and/or market-related information such as an inventory of account holdings and account performance, etc. We will also provide you with periodic or annual tax reports.

We utilize the services of an unaffiliated investment adviser, Breiter Capital Management, Inc. (BCM), to provide administrative support for our firm and to provide such reports to you. BCM is given permission to access account data from the custodian in order to provide reports. BCM does not provide investment advice or recommendations to you. You do not pay additional or higher fees for these services.

Client Referrals and Other Compensation

Form ADV Part 2A, Item 14

We do not receive any compensation from any third party in connection with providing investment advice to you. We do not compensate any individual or firm for client referrals.

Please refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with Schwab.

Custody

Form ADV Part 2A, Item 15

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

You should compare our statements with the statements from your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact us as indicated on the cover page of this brochure.

Investment Discretion

Form ADV Part 2A, Item 16

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement, a power of attorney, and/or trading authorization forms.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for you account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the *Advisory Business* section in this Brochure for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s).

Voting Client Securities

Form ADV Part 2A, Item 17

Proxy Voting

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

Financial Information

Form ADV Part 2A, Item 18

Our firm does not have any financial conditions or impairments that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$1,200 in fees six or more months in advance. Therefore, we are not required to include a financial

statement with this brochure.

Additional Information

Your Privacy

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

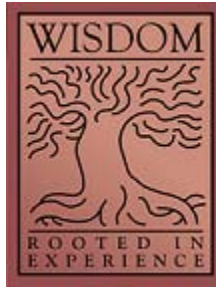
You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. If you have any questions regarding this policy, please contact us as indicated on the cover page of this brochure.

Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, the error will be corrected in the trade error account of the executing broker-dealer and you will not keep the profit.

Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.



Charles Edward De Rose
CRD# 65925

Charles De Rose, Inc.

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Charleston, SC 29403

Telephone: (800) 678-3620
Fax: (843) 722-0588

March 24, 2011

**FORM ADV PART 2B
BROCHURE SUPPLEMENT**

This brochure supplement provides information about Charles De Rose that supplements the Charles De Rose, Inc. firm brochure. You should have received a copy of that brochure. Please contact Mr. De Rose at the number above, if you did not receive the firm brochure for Charles De Rose, Inc. or if you have any questions about the contents of this supplement.

Additional information about Mr. De Rose is available on the SEC's website at www.adviserinfo.sec.gov.

Educational Background and Business Experience

Form ADV Part 2B, Item 2

Charles Edward De Rose

Year of Birth: 1940

Formal Education after High School:

- None

Business Background for the Previous Five Years:

- Charles De Rose, Inc., President, Director, and Chief Compliance Officer, 09/1987 – Present.

Mr. De Rose began his financial career in 1968 with the John A. Newman Agency of the National Life Insurance Company of Vermont. In the 1970's Mr. De Rose served as a financial advisor with A.J. Groesbeck Financial Advisors in San Francisco, California and with the Special Accounts Department, International Division of Bache & Co., Incorporated at its Wall Street headquarters in New York City. In the early part of the 1980's Mr. De Rose served as a financial advisor with L.F. Rothschild & Co., and as a Senior Vice President, Laidlaw, Adams & Peck in New York City. Later he served as a financial advisor at Weatherly Private Capital and as a Senior Vice President at Morgan, Olmstead, Kennedy, and Gardiner in New York City. Mr. De Rose found Charles De Rose, Inc., in 1987, and continues to serve as President, Director, and now Chief Compliance Officer.

Disciplinary Information

Form ADV Part 2B, Item 3

Mr. De Rose does not have, nor has he ever had, any disciplinary disclosure.

Other Business Activities

Form ADV Part 2B, Item 4

Mr. De Rose does not receive any additional compensation for providing advisory services beyond the fee-based compensation he receives through Charles De Rose, Inc.

Mr. De Rose is not actively engaged in any other business or occupation (investment-related or otherwise) beyond his capacity as President of Charles De Rose, Inc. Moreover, Mr. De Rose does not receive any commissions, bonuses or other compensation based on the sale of securities or other investment products.

Additional Compensation

Form ADV Part 2B, Item 5

Mr. De Rose does not receive any additional compensation for providing advisory services beyond that received as a result of his capacity as President of Charles De Rose, Inc.

Supervision

Form ADV Part 2B, Item 6

As President of Charles De Rose, Inc. is not supervised by other persons.

However, Charles De Rose, Inc. has in place written supervisory procedures that are reasonably designed to detect and prevent violations of the securities laws, rules, and regulations.

Mr. De Rose can be reached at (800) 678-3620.