

Item 1

**ARTHUR E. SPELLISSY
& ASSOCIATES, INC.**

INVESTMENT MANAGEMENT

Member: Investment Adviser Association

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Wayne, PA 19087
(610-293-0700 or 1-800-845-7936)

March, 2011

This brochure provides information about the qualifications and business practices of Arthur E. Spellissy & Associates. If you have any questions about the contents of this brochure, please contact us at 610-293-0700. 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 Arthur E. Spellissy & Associates is also available on the SEC's website at www.adviserinfo.sec.gov.

Please note that registration as an investment adviser does not imply any set level of skill or training.

Item 2 – Material Changes

In July of 2010, the United States Securities and Exchange Commission (SEC) published “Amendments to Form ADV”, which amended the disclosure document provided to clients as required by SEC and state rules. This Disclosure Brochure is a new document prepared in March, 2011 according to new SEC and state requirements and rules. Thus, this document for Arthur E. Spellissy & Associates (the Associates) is materially different in structure and requires more expansive information that the previous Form ADV Part II did not require.

The Associates filed their last annual amendment in March of 2010. Subsequently, no material changes have been made in the firm’s course of business.

It has been the practice of Arthur E. Spellissy & Associates to offer and provide clients with information about the firm’s qualifications and business practices on an annual basis. In line with the new rules, the Associates will make certain that clients receive a summary of any material changes to this and future Disclosure Brochures within 120 days after the firm’s fiscal year end (December 31st). Therefore, clients will receive a summary of any material changes made no later than April 30th each year. Concurrently, the Associates will also offer a copy of its most current Disclosure Brochure and may also provide other ongoing disclosure information as necessary.

The most current Disclosure Brochure is available to clients and prospective clients at any time by contacting Donald Weaver at 610-293-0700.

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Item 4 – Advisory Business

- Ownership

In the early 1930's Arthur E. Spellissy established an investment advisory firm with a select number of clients. The business continued to grow, and in 1965 Arthur E. Spellissy & Associates was incorporated under the laws of the State of Pennsylvania. Donald W. Weaver is now the sole owner of the firm, registered as an investment adviser with the Securities and Exchange Commission.

- Advisory Services Offered

The Associates offer personalized investment advisory services and provide clients with continuous supervision of their accounts. Client's account(s) are monitored on an on-going basis, and portfolio recommendations are submitted and implemented as deemed appropriate. We do *not* offer financial planning, or attempt to market time.

The Associates limit investment advice to the following types of investments:

- Exchange listed securities (including ETF's)
- Securities traded over-the-counter
- Money market funds
- Corporate bonds
- Municipal bonds
- United States Treasury bonds
- Mutual fund shares

- Individualized Services

The Associates' basic investment philosophy can be categorized as "GARP", or Growth at a Reasonable Price. That being said, each client's portfolio is tailored to his or her specific needs and/or preferences, and risk tolerance. Clients are always given the opportunity to impose restrictions on specific investment selections and sectors. However, the Associates will not enter into an investment adviser relationship with any prospective client whose investment objectives may be considered incompatible with our investment philosophy, or whose strategies we feel uncomfortable in implementing.

- Wrap Fee Programs

In Wrap-fee programs, advisory services are provided in conjunction with transaction services for one fee. The Associates do *not* participate in Wrap-fee programs, and therefore investment advisory services are provided for a fee (as explained in Item 5), but commission costs are billed separately by the broker on a per-transaction basis.

Client Assets Under Management

As of December 31, 2010, the amount of client assets under management by the Associates totaled \$118,380,000. Of that total, \$143,000 (one account) was managed on a discretionary basis, and the remaining \$118,233,000 was managed on a non-discretionary basis.

Item 5 – Fees and Compensation

The Associates offer investment advisory services on a customized and continuous basis, making investment recommendations for clients based on their individual comfort level, goals and investment objectives. This includes evaluating and selecting appropriate investments, and adjusting and re-balancing portfolios with respect to each client's particular needs. As further explained in Item 16, this can be done on a discretionary or non-discretionary basis.

The Associates require a minimum of \$250,000 of assets to establish a new account. However, exceptions are granted for relatives of existing clients, or if a prospective client anticipates adding additional assets within a reasonable time. In addition, for clients with several small portfolios, we will use the "bundled" total amount of assets to reach the minimum account size.

A qualified broker or bank custodian maintains custody of all client funds and securities. The Associates do not act as custodian in any case and will never have direct access to clients' assets, with the exception of having advisory fees deducted from the client's account with prior written authorization. All clients receive a billing statement showing the period of supervision, the amount of the fee, and the method by which the fee was calculated. When fees are automatically deducted, the Associates encourage clients to compare our statement to that of the custodian to verify that the appropriate amount has been deducted. In some cases, clients prefer to pay our fees directly, and this option is also available, with payment due upon receipt of our statement.

Fees for investment advisory services are based on a percentage of assets under management. No fees are billed in advance. Fees are billed semi-annually by averaging the beginning, middle and ending values of the previous six months. Fees are calculated as follows:

<u>Portfolio Value</u>	<u>Annual Fee</u>
On the first \$1 million	¾ of 1%
\$1 million to \$5 million	½ of 1%
Over \$5 million	Negotiable

Investment management fees for tax-exempt securities are not deductible; therefore holdings of those securities are excluded from fee calculation, making our charges fully deductible to the extent allowable under current tax provisions.

There are no termination fees and the arrangement can be concluded with payment of our normal management fee for the prior period of supervision. If an agreement for services is concluded mid-period, the final fee is pro-rated, based on the amount of time services were provided.

When asked, the Associates recommend that client assets be maintained in a brokerage account at Charles Schwab Advisor Services, the Institutional division of Charles Schwab & Company, a registered broker/dealer. (See Item 12 for further discussion of brokerage practices.) However, clients may select any account custodian they choose. Charles Schwab does not charge separately for maintaining custody of accounts, but other qualified custodians may charge a separate custody fee. In addition, account custodians will charge commission fees for transactions placed in the account, and these fees will vary by custodian. Clients may also incur certain charges imposed by third parties other than the Associates, including, but not limited to mutual fund sales loads. As a rule, the Associates do not recommend mutual fund purchases, but at times clients may already have certain funds in their portfolio that they wish to keep. The Associates do not receive any portion of these commissions or fees. Our sole source of revenue is our advisory fees.

Clients should be aware that advisory services billed as a percentage of assets under management could lead to potential conflicts of interest. There are times when we are asked for help relating to financial decisions in life such as paying down debt, gifting to charities or individuals, making a major purchase, or investing in other types of investments. The goal of the Associates is to make recommendations with the best interests of the client in mind, without regard to any impact the decision has on us. In all situations, current tax laws, interest rates and other pertinent variables are used to determine the most beneficial outcome for the client.

The Associates believe our fees for investment advisory services are most reasonable, and comparable to fees charged by other investment advisors offering similar services. However, lower fees may be available from other sources.

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

Performance-based fees are defined as fees based on a share of capital gains on, or capital appreciation of, the assets held in a client's account. The Associates do not charge on performance-based fees. No hourly, or other flat fees are ever charged.

Item 7 – Types of Clients

The Associates currently provide investment advice to individuals (including high net worth individuals), Trusts, Estates and charitable organizations. At times, we have also included pension and profit sharing plans among our clients.

- Requirements

Regulatory provisions now require a written Advisory Agreement between the Associates and their clients. All clients are required to execute such an Agreement in order to establish a client arrangement with the Associates.

- Minimum Account Size

The Associates require a minimum of \$250,000 to establish an account. However, exceptions to this minimum have been made in the case of clients anticipating adding additional assets, or relatives of existing clients. In addition, clients can combine household portfolios to reach the minimum account size.

The Associates do *not* charge a minimum annual fee.

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

The Associates' investment perspective is clearly long-term, and incorporates a basic belief that, of the many risks an investor faces, a large and ever-present one is loss of purchasing power. Even modest erosion of a dollar's value over the longer term can have a significant and varied impact on different investment alternatives. Because of this inflation risk, our emphasis is primarily on equity related securities. However, the Associates do recognize that clients have individual investment objectives and comfort levels, and each client's portfolio is structured accordingly. Holdings include common stocks, ETF's, bonds, money funds and, in some cases, mutual funds. Our efforts are primarily directed toward enhancement of both a client's principal values and portfolio income.

The focus of our strategy is to concentrate on individual security selection rather than attempting to forecast the direction of the stock market. It is our belief that market timing is a futile exercise. Through use of various investment services, the Associates subjectively assemble a universe of companies that appear to have attractive prospects. These companies then pass through a "screening process", using real data to evaluate a security's value, whereby certain attributes as well as historic relationships are measured to determine a potential value for the stock. We view an individual investment portfolio as somewhat analogous to a "holding company" comprised of diversified participation in the future of financially strong, well managed business in viable industries, and strive to acquire these interests at reasonable market prices.

Relevant to current industry standards, the Associates' portfolio turnover (the amount of buying and selling within a portfolio in a given time period) is low. We believe there is no correlation between a high level of turnover and superior investment performance. This may result in lower brokerage or transaction costs. Clients should be aware that any type of investment involves risk of loss, and past performance of any security or strategy is not necessarily indicative of future profits.

Item 9 – Disciplinary Information

Neither the Associates nor any associated management person has ever been involved in any disciplinary event.

Item 10 – Other Financial Industry Activities and Affiliations

- No management person of the Associates is registered or has applied to register as a broker-dealer or any other type of trader.
- No management persons or related persons of the Associates are affiliated with: broker-dealers or traders, investment companies or other investment vehicles, other investment advisers or financial planners, futures commission merchants or commodity traders, banking or thrift institutions, accountants, lawyers, insurance companies, pension consultants, real estate brokers, or limited partnership sponsors.
- The Associates do not recommend or select other investment advisers for clients.

Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading

The firm of Arthur E. Spellissy & Associates is one of the oldest investment management firms in the country, having been established in 1931, and then incorporated in 1965. It was the intent of the founder of the firm, Mr. Spellissy, to supervise investment assets of clients in a totally objective, yet very personal manner, and to build those assets to the benefit of the client. Today, those same goals remain intact, and success is evidenced by the longevity of client relationships.

The Associates believe it to be our responsibility to provide fair and full disclosure of all material facts, as well as act solely in our clients' best interests. We have established a Code of Ethics which outlines our underlying principles for all dealings with clients, and all associated persons of the Associates must read, sign, and adhere to this Code. We are committed to making client interests of paramount importance, maintaining client confidentiality, assuring that any potential conflicts of interest are avoided, and making portfolio decisions in keeping with each individual client's investment objectives.

All associated persons will conduct business in an honest, ethical and fair manner, and will comply with all federal and state securities laws at all times. This is a simple description of our Code of Ethics, but a copy will be promptly provided to any client or prospective client upon request.

Because we firmly believe in our investment philosophy, employees of the Associates may invest in the same securities that are recommended to clients. No preferential treatment is given to employee accounts. To avoid any potential conflict, trades for personal accounts may only be placed at the end of the day (3-4 p.m.), and Pre-Clearance forms describing the proposed transaction(s) must be submitted by the associated person, approved by the Compliance Officer, and kept on file.

Client relationships with the Associates are primarily based on trust, and confidence in our firm's abilities to serve their best interests. Maintaining client privacy is an integral part of that association. Therefore, the Associates will not disclose client personal information to anyone unless it is at their direction, required by law, or integral to providing investment advisory services. Various strategies taken to protect personal information are outlined in our Compliance Manual, and will be provided upon request.

Item 12 – Brokerage Practices

When making investment recommendations to our clients, the Associates have a duty to ensure that clients receive the “best execution” possible. Best execution refers to overall services received from a broker/dealer rather than simply the lowest price. The Associates do not use soft dollars to obtain research material from its custodians, nor do we direct brokerage in the hope of client referrals.

Clients are free to choose any broker/dealer or custodian they wish. However, the Associates have tried to determine a custodian/broker who will hold client 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:

- Combination of transaction execution services and asset custody (generally without a separate fee for custody).
- Breadth of available investments (stocks, bonds, mutual funds, ETF's).
- Quality of services
- Competitive commission rates and willingness to negotiate prices.
- Reputation, financial strength and stability.

With the above in mind, we do recommend opening a brokerage account with Schwab Advisor Services. Schwab is able to provide the Associates and our clients with access to its institutional brokerage – trading, custody, reporting, and related services – many of which are not typically available to Schwab retail customers. Schwab makes available various support services which help us manage our clients' accounts, and these services are available on an unsolicited basis as long as our clients collectively maintain a total of at least \$10 million in assets at Schwab. Should that collective minimum of assets fall below the threshold, the Associates will pay Schwab a quarterly service fee of \$1200. This is a potential conflict of interest. We believe, however, that our recommendation of Schwab as custodian and broker is in the best interests of our clients.

It should be noted that when clients choose to select a custodian other than Schwab, we may not be able to obtain the best price and execution for transactions, but will certainly make every attempt to do so.

Item 13 – Review of Accounts

The Associates review client portfolios on a quarterly basis at the minimum. We evaluate securities in the portfolio in relation to client objectives, and their ability enhance account performance. The portfolio manager initiates the review. Review of a portfolio may also be triggered by:

- Client request for liquidity.
- Addition of securities or liquidity to the portfolio.
- A significant change in the market or economic environment.
- A development within a specific security or industry (e.g., merger, spin-off, or defining event).

The Associates review client custodian statements on a monthly basis to check for accuracy of the data as compared to our records. Written appraisals are sent from our office to clients semi-annually, unless requested on a more frequent basis. Some clients prefer to have a summary of their various combined portfolios, and this report is supplied per their instruction. In addition, the Associates furnish reports on capital gains and losses. Also, reports on investment performance, and tax lot data are available upon request.

Item 14 – Client Referrals and Other Compensation

The Associates do not, either directly or indirectly, compensate anyone for prospective client referrals.

The Associates do benefit from Charles Schwab in the form of support and services for client accounts maintained there. How those services benefit us and our clients, and any potential conflict of interest in this regard, are explained above in *Item 12 – Brokerage Services*.

Item 15 – Custody

The Associates do *not* maintain custody of client securities or funds, and have established procedures for client assets to be held at a qualified custodian in the client's name. Under government regulations, however, Investment Advisors are deemed to have custody of client assets when advisory fees are deducted directly from a client's account.

Account statements are to be delivered to clients from the custodian on a quarterly basis, at the minimum; and clients are encouraged to carefully review those statements and contact either the Associates or the custodian with any questions that might arise. The deduction of fees will be reflected on these statements, and clients will also receive a corresponding bill from the Associates for management fees. Clients are encouraged to compare the two reports.

Item 16 – Investment Discretion

The Associates provide investment management on both discretionary and non-discretionary basis, the choice being determined solely by the client, and reflected on the Investment Advisory Agreement that is signed. Discretionary authority allows the Associates to determine portfolio change without prior permission of the client, but within a client's investment goals and objectives. Transactions are completed, and then clients receive trade confirmations after the fact.

The majority of our clients are managed on a non-discretionary basis. Clients are provided with investment recommendations, and no action is taken until approval (either written or verbal) is received. This arrangement is also reflected on our Investment Advisory Agreement on file.

Clients normally sign a limited trading authorization with their custodian, which simply gives the Associates permission to place trades on their behalf.

Item 17 – Voting Client Securities

The Associates have elected to *not* vote proxies or accept proxy materials on behalf of clients. When receiving proxy materials (directly from the custodian, sponsor or transfer agent), clients are encouraged to review the information provided and make their determination. Upon request, the Associates will provide clarification based on our understanding of the material provided, but it is up to the client to make the final decision. Any potential conflict of interest related to the Associates and any salient issues associated with voting the shares would be immediately disclosed.

Item 18 – Financial Information

This item is not applicable to the Associates, in that we accept *no prepayment* of fees of any kind. There are no financial conditions that would be likely to impair our ability to meet our contractual obligations to clients. Lastly, in the past 80 years, from inception, the Associates have never been the subject of a bankruptcy petition.

Form ADV, Part 2-B

Brochure Supplement – Donald W. Weaver

March, 2011

This brochure supplement provides information about Donald W. Weaver that supplements the brochure of Arthur E. Spellissy & Associates. You should have received a copy of that brochure. Please contact Don Weaver if you did not receive the Associate's brochure or have any questions about the contents of this supplement.

Additional information about Donald Weaver is available on the Security and Exchange Commission's website at www.adviserinfo.sec.gov.

Donald W. Weaver, President
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Wayne, PA 19087
Phone: 610-293-0700, or 800-845-7936

Educational Background and Business Experience

Donald Weaver has been President of the Associates since its incorporation in 1965. He also serves in the capacity of an investment advisor representative, or portfolio manager. Don, born in 1933, received a degree in Economics from Ohio Wesleyan University, and subsequently earned an MBA in Finance from University of Pennsylvania (Wharton School).

Disciplinary Information

Don Weaver has been subject to no disciplinary events or sanctions that would be material to SEC or State regulations.

Other Business Activities

Don Weaver is *not* engaged in any other investment-related businesses or occupations. Such activity might pose a potential conflict of interest with clients.

Additional Compensation

Don Weaver does not receive any compensation other than his salary at the Associates.

Supervision

Don, and all other associated persons of the Associates operate under the guidance of our Compliance Manual, governed by SEC regulations. Supervision in this regard is the responsibility of the Associates' Chief Compliance Officer, Ellen Rhine, who can be contacted at 610-293-0701.

Form ADV, Part 2-B

Brochure Supplement – Ellen M. Rhine

March, 2011

This brochure supplement provides information about Ellen M. Rhine that supplements the brochure of Arthur E. Spellissy & Associates. You should have received a copy of that brochure. Please contact Don Weaver if you did not receive the Associate's brochure or have any questions about the contents of this supplement.

Additional information about Ellen Rhine is available on the Security and Exchange Commission's website at www.adviserinfo.sec.gov.

Ellen M. Rhine, Chief Compliance Officer
Arthur E. Spellissy & Associates
175 Strafford Avenue, Suite 210
Wayne, PA 19087
Phone: 610-293-0700, or 800-845-7936

Educational Background and Business Experience

Ellen Rhine has served as the Chief Compliance Officer of the Associates since 2004. Born in 1951, Ellen earned a B.S. in Business Administration from Drexel University, and has been in the employ of the Associates since 1978.

Disciplinary Information

Ellen Rhine has been subject to no disciplinary events or sanctions that would be material to SEC or State regulations.

Other Business Activities

Ellen Rhine is *not* engaged in any other investment-related businesses or occupations. Such activity might pose a potential conflict of interest with clients.

Additional Compensation

Ellen does not receive any compensation other than her salary at the Associates.

Supervision

All associated persons of the Associates operate under the guidance of our Compliance Manual, governed by SEC regulations. Ellen Rhine, as CCO, is responsible for the development, maintenance, and enforcement of these compliance procedures. Ellen can be contacted at 610-293-0701.