

FORM ADV

Uniform Application for Investment Adviser Registration

Part II - Page 1

OMB APPROVAL	
OMB Number:	3235-0049
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Estimated average burden	
Hours per response...	.9.402

Name of Investment Adviser: Charles De Rose, Inc.				
Address: (Number and Street)	(City)	(State)	(Zip Code)	Area Code: Telephone Number:
3004 Old Bridgeview Lane	Charleston	SC	29403	(843) 722-3161

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any governmental authority.**

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

FORM ADV

Part II - Page 2

Applicant: Charles De Rose, Inc.	SEC File Number: 801-30155	Date: 2/15/2006
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1. **A. Advisory Services and Fees.** (check the applicable boxes) For each type of service provided, state the approximate % of total advisory billings from that service. **Estimate** (See instruction below.)
- Applicant:**
- | | |
|--|--------------|
| <input checked="" type="checkbox"/> (1) Provides investment supervisory services | <u>90%</u> |
| <input type="checkbox"/> (2) Manages investment advisory accounts not involving investment supervisory services | <u> %</u> |
| <input checked="" type="checkbox"/> (3) Furnishes investment advice through consultations not included in either service described above | <u>5%</u> |
| <input type="checkbox"/> (4) Issues periodicals about securities by subscription | <u> %</u> |
| <input type="checkbox"/> (5) Issues special reports about securities not included in any service described above | <u> %</u> |
| <input type="checkbox"/> (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities | <u> %</u> |
| <input checked="" type="checkbox"/> (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities | <u>5%</u> |
| <input type="checkbox"/> (8) Provides a timing service | <u> %</u> |
| <input type="checkbox"/> (9) Furnishes advice about securities in any manner not described above | <u> %</u> |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

- B. Does applicant call any of the services it checked above financial planning or some similar term?
- | | |
|--------------------------|-------------------------------------|
| Yes | No |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> |

C. Applicant offers investment advisory services for: (check all that apply)

- | | |
|---|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management | <input type="checkbox"/> (4) Subscription fees |
| <input checked="" type="checkbox"/> (2) Hourly charges | <input type="checkbox"/> (5) Commissions |
| <input type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input type="checkbox"/> (6) Other |

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. **Types of clients** - Applicant generally provides investment advice to: (check those that apply)

- | | |
|---|--|
| <input checked="" type="checkbox"/> A. Individuals | <input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations |
| <input type="checkbox"/> B. Banks or thrift institutions | <input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies | <input type="checkbox"/> G. Other (describe on Schedule F) |
| <input checked="" type="checkbox"/> D. Pension and profit sharing plans | |

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

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

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

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

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

- | | |
|---|--|
| (1) <input type="checkbox"/> Charting | (4) <input type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input type="checkbox"/> Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|---|--|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines | (5) <input type="checkbox"/> Timing services |
| (2) <input type="checkbox"/> Inspections of corporate activities | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the
Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases |
| (4) <input type="checkbox"/> Corporate rating services | (8) <input type="checkbox"/> Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|--|--|
| (1) <input checked="" type="checkbox"/> Long term purchases
(securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions |
| (2) <input checked="" type="checkbox"/> Short term purchases
(securities sold within a year) | (6) <input type="checkbox"/> Option writing, including covered options, uncovered
options or spreading strategies |
| (3) <input type="checkbox"/> Trading (securities sold within 30 days) | (7) <input type="checkbox"/> Other (explain on Schedule F) |
| (4) <input type="checkbox"/> Short sales | |

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5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? Yes No
 (If yes, describe these standards on Schedule F.)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- year of birth
- formal education after high school
- business background for the preceding five years

7. Other Business Activities. (check those that apply)

- A. Applicant is actively engaged in a business other than giving investment advice.
- B. Applicant sells products or services other than investment advice to clients.
- C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:

<input type="checkbox"/> (1) broker-dealer	<input type="checkbox"/> (7) accounting firm
<input type="checkbox"/> (2) investment company	<input type="checkbox"/> (8) law firm
<input type="checkbox"/> (3) other investment adviser	<input type="checkbox"/> (9) insurance company or agency
<input type="checkbox"/> (4) financial planning firm	<input type="checkbox"/> (10) pension consultant
<input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant	<input type="checkbox"/> (11) real estate broker or dealer
<input type="checkbox"/> (6) banking or thrift institution	<input type="checkbox"/> (12) entity that creates or packages limited partnerships

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?..... Yes No

(If yes, describe on Schedule F the partnerships and what they invest in.)

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9. Participation or Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- A. As principal, buys securities for itself from or sells securities it owns to any client.
- B. As broker or agent effects securities transactions for compensation for any client.
- C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account? Yes No
- (If yes, describe on Schedule F.)

11. Review of Accounts. If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

Please see Schedule F, Item 11. A.

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

Please see Schedule F, Item 11. B.

Applicant:

Charles De Rose, Inc.

SEC File Number:

801-30155

Date:

2/15/2006

12. Investment or Brokerage Discretion.

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- | | | |
|--|---|-----------------------------|
| (1) securities to be bought or sold? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (2) amount of the securities to be bought or sold? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (3) broker or dealer to be used? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (4) commission rates paid? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients? Yes No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- | | | |
|---|------------------------------|--|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities unless applicant is registered or registering only with the Securities and Exchange Commission; or
 - requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- Has applicant provided a Schedule G balance sheet? Yes No

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant: Charles De Rose, Inc.	SEC File Number: 801- 30155	Date: 2/15/2006
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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Charles De Rose, Inc.	IRS Empl. Ident.No.: 59- 3195785
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Item of Form (identify)	Answer						
Item 1. D.	<p>ADVISORY SERVICES AND FEES</p> <p>Charles De Rose, Inc., (hereinafter "CDR" or the "Firm") offers personalized investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities. The Firm's services and fee arrangements are described in the following pages.</p> <p>CDR is a corporation organized under the laws of the State of Florida. This Schedule F narrative provides Clients with information regarding CDR and the qualifications, business practices, and nature of advisory services that should be considered before becoming an advisory Client of the Firm. The information in this Schedule F has not been approved or verified by the United States Securities and Exchange Commission, the State of Florida, South Carolina or by any state securities authority.</p> <p>Please contact Charles De Rose, Chief Compliance Officer, if you have any questions about this Schedule F narrative. Additional information about CDR is available on the Internet at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for CDR is 112599.</p> <p>PORTFOLIO MANAGEMENT SERVICES</p> <p>CDR provides discretionary portfolio management services where the investment advice provided is custom tailored to meet the needs and investment objectives of the Client. Subject to any written guidelines, which the Client may provide, the Firm will be granted discretion and authority to manage the account. Accordingly, CDR is authorized to perform various functions, at the Client's expense, without further approval from the Client. Such functions include the determination of securities to be purchased/sold and the amount of securities to be purchased/sold. Once the portfolio is constructed, CDR provides continuous supervision and re-optimization of the portfolio as changes in market conditions and Client circumstances may require.</p> <p>The annual fee for portfolio management services is billed quarterly in advance based on the market value of the assets on the last day of the preceding quarter. Fees will be assessed pro rata in the event the portfolio management agreement is executed at any time other than the first day of a calendar quarter. The fee is based on a percentage of assets under management and is negotiable. The annualized fees for portfolio management services are:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Assets Under Management</th> <th style="text-align: center;">Annualized Fee</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Up to \$ 1,000,000</td> <td style="text-align: center;">1.25%</td> </tr> <tr> <td style="text-align: center;">Over \$ 1,000,000</td> <td style="text-align: center;">1.00%</td> </tr> </tbody> </table> <p>In CDR's discretion, the Firm may allow accounts of members of the same household to be aggregated for purposes of determining the advisory fee. CDR may allow such aggregation, for example, where the Firm services accounts on behalf of minor children of current Clients, individual and joint accounts for a spouse, and other types of related accounts. This consolidation practice is designed to allow Client(s) the benefit of an increased asset total, which could potentially cause the account(s) to be assessed a reduced advisory fee based on the breakpoints available in the Firm's fee schedule as stated above.</p> <p>The independent qualified custodian holding the Client's funds and securities will debit the</p>	Assets Under Management	Annualized Fee	Up to \$ 1,000,000	1.25%	Over \$ 1,000,000	1.00%
Assets Under Management	Annualized Fee						
Up to \$ 1,000,000	1.25%						
Over \$ 1,000,000	1.00%						

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

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant: Charles De Rose, Inc.	SEC File Number: 801- 30155	Date: 2/15/2006
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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Charles De Rose, Inc.	IRS Empl. Ident.No.: 59- 3195785
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Item of Form (identify)	Answer
Item 1. D. (cont.)	<p>Client account directly for the advisory fees paid to CDR. The Client will provide written authorization permitting the fees to be paid directly from their account held by the qualified custodian. CDR will not have access to Client funds for payment of fees without Client consent in writing. Further, the qualified custodian agrees to deliver an account statement at least quarterly directly to the Client. The Client is encouraged to review their account statements for accuracy. CDR will receive a duplicate copy of the statement that was delivered to the Client.</p> <p>CDR or the Client may terminate the management agreement within five days of the date of acceptance without penalty to the Client. After the five-day period, either party, upon 30 day written notice to the other, may terminate the management agreement. The management fee will be pro-rated for the quarter in which the cancellation notice was given and any unearned fees will be refunded to the Client.</p> <p>CONSULTING In limited circumstances the Firm may offer Clients hourly consultations that are not part of any other service disclosed above. The fee for this kind of service is typically \$150 an hour. The Client may engage the Client purely on a consultation basis, therefore the fee will be due at the end of any meeting in which fees are being charged. If the Client requests a service which requires a report or some additional time, the Client will be provided with an estimate of the time required to complete the service and will provide a deposit of 50% of the fee quoted. In limited circumstances should the time exceed the original estimate, the Client will be contacted prior to incurring the additional expense for their approval. The remainder of the fee will be due upon completion of the work. If the Client desires to terminate the engagement prior to the work being completed, a pro-rated refund will be given to the Client.</p> <p>GENERAL INFORMATION ON ADVISORY SERVICES AND FEES CDR shall never have custody of any Client funds or securities, as the services of an independent qualified custodian will be used for these asset management services.</p> <p>The fees charged are calculated as described above and are not charged on the basis of a share of capital gains upon, or capital appreciation of the funds, or any portion of the funds of an advisory Client (15 U.S.C. §80b-5(a)(1)).</p> <p>CDR does not represent, warrant, or imply that the services or methods of analysis used by the Firm can or will predict future results, successfully identify market tops or bottoms, or insulate Clients from losses due to market corrections.</p> <p>Advice offered by CDR may involve investments in mutual funds. Clients are hereby advised that all fees paid to CDR for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. Further, there may be transaction charges involved with purchasing or selling of securities. CDR does not share in any portion of the brokerage fees/transaction charges imposed by the custodian holding the Client funds or securities. The Client should review all fees charged by mutual funds, CDR, and others to fully understand the total amount of fees to be paid by the Client.</p>

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

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant: Charles De Rose, Inc.	SEC File Number: 801- 30155	Date: 2/15/2006
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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Charles De Rose, Inc.		IRS Empl. Ident.No.: 59- 3195785
Item of Form (identify)	Answer	
Item 3. L.	<p>TYPES OF INVESTMENTS CDR reserves the right to advise Clients on any other type of investment that it deems appropriate based on the Client's stated goals and objectives. CDR may also provide advice on any type of investment held in a Client's portfolio at the inception of the advisory relationship or on any investment on which the Client requests advice.</p>	
Item 5.	<p>EDUCATION AND BUSINESS STANDARDS At a minimum, IARs of CDR must meet all examination or experience requirements of the state(s) and/or jurisdiction(s) in which the individual provides advisory services.</p>	
Item 6.	<p>EDUCATION AND BUSINESS BACKGROUND Charles De Rose, President of CDR was born in 1940. He 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.</p> <p>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.</p> <p>Mr. De Rose found Charles De Rose, Inc., in 1987, and continues to serve as President, Director and now Chief Compliance Officer.</p>	
Item 9. E.	<p>PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS At times, CDR and/or its associated persons may take positions in the same securities as Clients, and in all such cases will seek to avoid conflicts with Clients. In accordance with its fiduciary responsibilities to its Clients, CDR and/or its associated persons will generally be "last in" and "last out" for any trading that may occur in securities that are not exempt from federal reporting – e.g. mutual funds and direct obligations of the U.S. Government.</p> <p>In accordance with Section 204-A of the Investment Advisers Act of 1940, CDR also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information, i.e. insider trading by CDR or any person associated with the Firm.</p> <p>Code of Ethics CDR has adopted a Code of Ethics, the full text of which is available to Clients upon request. CDR has several goals in adopting this Code. First, CDR desires to comply with all applicable laws and regulations governing its practice. CDR believes that compliance with such regulations is a signal to its Clients that CDR exists to serve them, and that CDR supports the efforts of those organizations dedicated to upholding the law.</p> <p>Next, the management of CDR has determined to set forth guidelines for professional standards, under which all associated persons of CDR are to conduct themselves. CDR has set high standards, the intention of which is to protect Client interests at all times and to demonstrate its commitment to its fiduciary duties of honesty, good faith and fair dealing with Clients. All associated persons are expected to strictly adhere to these guidelines, as well as the procedures for approval and reporting established in the Code of Ethics</p>	

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

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant: Charles De Rose, Inc.	SEC File Number: 801- 30155	Date: 2/15/2006
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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Charles De Rose, Inc.		IRS Empl. Ident.No.: 59- 3195785
Item of Form (identify)	Answer	
Item 9. E. (cont.)	<p>primarily related to personal securities transactions, and violations of the Code. This will serve to educate associated persons regarding appropriate activities. CDR has instituted, as a deterrent, a policy of disciplinary actions to be taken with respect to any associated person who violates the Code.</p> <p>Privacy Policies Protecting Client privacy is very important to CDR. CDR views protecting its customers' private information as a top priority and, pursuant to the requirements of the federal Gramm Leach Bliley Act, the Firm has instituted policies and procedures to ensure that customer information is kept private and secure.</p> <p>CDR does not disclose any nonpublic personal information about its customers or former customers to any nonaffiliated third parties, except as permitted by law. In the course of servicing a Client's account, CDR may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, lawyers, and unaffiliated investment adviser(s) that provide reporting services for the Firm's Clients.</p> <p>CDR restricts internal access to nonpublic personal information about the Client to those associated persons of the Firm who need access to that information in order to provide services to the Client. As emphasized above, it has always been and will always be the Firm's policy never to sell information about current or former customers or their accounts to anyone. It is also the Firm's policy not to share information unless required to process a transaction, at the request of a customer, or as required by law. Firm.</p>	
Item 11. A.	<p>REVIEW OF ACCOUNTS Charles De Rose conducts reviews with Clients on an annual basis. More frequent meetings may be required as a result of market conditions change, or if the financial conditions of the Client (s) change.</p>	
Item 11. B.	<p>REGULAR REPORTS TO CLIENTS CDR will provide Clients with quarterly performance reports. In addition, Clients will also receive monthly statements and transaction confirmations directly from their account custodian(s). CDR uses the services of an unaffiliated investment adviser, Breiter Capital Management, Inc. ("Breiter"), to provide reports to Clients. Clients are made aware that Breiter is given permission to access account data from the custodian in order to provide reports. Breiter is not providing investment advice or recommendations to Clients of CDR.</p>	
Item 12. A. (1),(2),(3),(4)	<p>INVESTMENT OR BROKERAGE DISCRETION Clients grant CDR complete discretion over the selection and amount of securities to be purchased or sold, the broker/dealer to be used and the commission rates to be paid for their account without obtaining their prior consent or approval. However, CDR's investment authority may be subject to specified investment objectives, guidelines and/or conditions imposed by the Client. For example, a Client may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio, restrictions or prohibitions of transactions in the securities of a specific industry, and/or directed brokerage.</p>	
Item 12. B.	<p>SUGGESTION OF BROKERS CDR will recommend that a Client in need of brokerage and custodial services utilize Charles Schwab & Co., Inc. ("Schwab"). CDR feels that Schwab will provide the best</p>	

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

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant: Charles De Rose, Inc.	SEC File Number: 801- 30155	Date: 2/15/2006
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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Charles De Rose, Inc.	IRS Empl. Ident.No.: 59- 3195785
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Item of Form (identify)	Answer
Item 12. B. (cont.)	<p>services at the lowest commission rates possible. The reasonableness of commissions is based on several factors, including the broker's ability to provide professional services, competitive commission rates, volume discounts, execution price negotiations, and other services.</p> <p>Beyond a broker's ability to provide the "best execution," CDR will also consider the value of "research" and additional brokerage products and services a broker/dealer has provided or will provide. "Research" products and services that CDR may receive from Schwab, might include data, financial publications, information about particular companies and industries, and other products or services that provide lawful and appropriate assistance to CDR in the performance of its investment decision-making responsibilities.</p> <p>In some cases, the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.</p> <p><i>Directed Brokerage</i> Some Clients may instruct CDR to use one or more particular brokers for the transactions in their accounts. Clients who may want to direct the Firm to use a particular broker should understand that this might prevent CDR from effectively negotiating brokerage compensation on their behalf. This arrangement may also prevent CDR from obtaining the most favorable net price and execution. Thus, when directing brokerage business, Clients should consider whether the commission expenses and execution, clearance, and settlement capabilities that they will obtain through their broker are adequately favorable in comparison to those that the Firm would otherwise obtain for its Clients. Clients are encouraged to discuss available alternatives with their advisory representative.</p> <p>MISCELLANEOUS <i>Proxy Voting</i> CDR will not be required to take any action or render any advice with respect to voting of proxies solicited by, or with respect to, the issuers of securities in which client's assets may be invested. Although CDR may, on rare occasions and only at the client's request, offer clients advice regarding corporate actions and the exercise of proxy voting rights.</p> <p><i>Class Action Lawsuits</i> From time to time, securities held in the accounts of Clients will be the subject of class action lawsuits. The Firm has no obligation to determine if securities held by the Client are subject to a pending or resolved class action lawsuit. It also has no duty to evaluate a Client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, the Firm has no obligation or responsibility to initiate litigation to recover damages on behalf of Clients who may have been injured as a result of actions, misconduct or negligence by corporate management of issuers whose securities are held by Clients.</p> <p>Where the Firm receives written or electronic notice of a class action lawsuit, settlement or verdict affecting securities owned by a Client, it will forward all notices, proof of claim forms and other materials, to the Client. Electronic mail is acceptable where appropriate, and the Client has authorized contact in this manner.</p> <p><i>Aggregation of Orders</i> Generally, the Firm will aggregate orders with respect to a security if such aggregation is</p>

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

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant: Charles De Rose, Inc.	SEC File Number: 801- 30155	Date: 2/15/2006
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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Charles De Rose, Inc.		IRS Empl. Ident.No.: 59- 3195785
Item of Form (identify)	Answer	
	<p>consistent with achieving best execution for the various Client accounts. When orders are aggregated, each participating account receives the average share price for the transaction and bears a proportionate share of all transaction costs, based upon each account's participation in the transaction, subject to the Firm's discretion depending on factual or market conditions and the duty to achieve best execution for Client accounts. Clients participating in block trading may include proprietary or related accounts. Such accounts are treated as Client accounts and are neither given preferential nor inferior treatment versus other Client accounts.</p>	

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