

THE COMMONWEALTH GROUP, INC

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Boca Raton, Florida 33487**

561-994-3212

March 2011

This Brochure provides information regarding the qualifications and business practices of ***The Commonwealth Group, Inc.*** If you have any questions about the contents of this Brochure, please contact us at mcp@commonwealthgroup.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. However, it has been provided to the SEC.

The Commonwealth Group, Inc. is a registered investment advisor. Registration of an Investment Advisor does not imply any level of skill or training. The oral and written communications of an Advisor provide you with information about which you determine to hire or retain an Advisor.

Additional information about ***The Commonwealth Group, Inc.*** also is available on the SEC's website at www.advisorinfo.sec.gov.

MATERIAL CHANGES

This Brochure, dated March 2011, is a new document prepared according to new SEC and State Securities rules and regulations. Accordingly, this document is materially different in structure and requires certain new information that our previous brochure did not require. In the future, this section of the Brochure will disclose only specific material changes that are made to the Brochure and provide clients with a summary of such changes. It will also reference the date of The Commonwealth Group, Inc.'s last annual update of this Brochure.

Pursuant to new SEC and State Rules and Regulations, we will ensure that each client receives a summary of any material changes to this and subsequent brochures within 120 days of the close of The Commonwealth Group, Inc.'s fiscal year. We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

A copy of this brochure may be obtained by contacting Richard L. Kesner, Chief Compliance Officer at rlk@commonwealthgroup.com, or Margaret Potruski, Director of Client Services at mcp@commonwealthgroup.com or 561-994-3212.

Please Retain a Copy of This Brochure for Your Records

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ITEM 4: ADVISORY BUSINESS

The Commonwealth Group, Inc. ("Commonwealth") is a fee-only financial advisory firm. It was incorporated in 1991, and the principal owner is Richard Louis Kesner.

Commonwealth focuses on providing asset management services to clients through individual consultations. These consultations include guidance on various investments including, but not limited to, equities, debt securities, mutual funds, options, hedge funds, alternative investments, and private equity investments. Additionally, Commonwealth has a number of clients who are either accredited investors or qualified purchasers, and has significant experience servicing such clientele.

The Commonwealth advisory program includes the following:

- a. **Investor Profile** - Commonwealth will consult with the client to obtain detailed financial information and other pertinent data on an investor profile work sheet to enable the client to determine the appropriate investment guidelines, risk tolerance and other factors that will assist in the suitability of the asset management account.
- b. **Portfolio Management Selection** - Commonwealth provides asset management of client funds through private money managers, mutual funds, hedge funds or other suitable means as requested. Clients' portfolios are diversified and investments are determined based upon the client's investment objectives, risk tolerance, net worth, net income, and/or other various suitability factors. Commonwealth manages the clients' accounts on an individualized basis. Further restrictions and guidelines imposed by the clients affect the composition and performance of portfolios.

Performance of portfolios within the same investment objective may differ and clients should not expect that the performance of their portfolios will be identical to other clients of Commonwealth.
- c. **Performance Evaluation and Monitoring Services** - Commonwealth may furnish quarterly performance reports to clients or more frequent reports at the clients' discretion. The internal reports are intended to inform clients as to the performance of their investments for the selected period. Clients may elect not to receive a full report and have Commonwealth inform them of performance by letter or abbreviated report. Emails are also acceptable forms of communication.
- d. **Financial Planning** - On occasion, and for a separate and additional fee, Commonwealth will provide a financial plan for a client and help evaluate the client's financial needs.

- e. Discretionary Authority - The client may grant Commonwealth discretionary authority to buy and sell securities. If the client chooses not to do so, the account may be managed on a nondiscretionary basis.

ITEM 5: FEES AND COMPENSATION

As stated under “Item 4” herein, Commonwealth is a fee only advisory firm. However the firm may charge on an hourly basis for special projects. The specific manner in which fees are charged is established in the client’s written agreement with Commonwealth. Generally, advisory fees are charged as follows:

PORTFOLIO BALANCES

<u>Assets Under Management</u>	<u>Annual Fee</u>
0-\$3,000,000	1.0%
\$3,000,001-\$5,000,000	0.85%
Over \$5,000,001	0.75%

All fees are subject to negotiation however, a minimum annual fee of \$3,750 may be imposed for advisory services. The factors considered are the size of the account and the type of assets managed.

Fees are billed quarterly and payable in advance. Subsequent quarterly payments are due and will be assessed on the first day of each calendar quarter based on the sum of the market (net asset) value of all accounts funds under management. This value is calculated as of the close of business on the last business day of the preceding quarter. However, it may vary based on the custodial statements received by Commonwealth at the end of the quarter. Should assets be deposited after the inception of a quarter and subsequently withdrawn prior to the end of the same quarter, the fee will be prorated based on the number of days the assets were held in the account during the quarter. For valuation purposes, the assets will be treated as if they were held in the account at the end of the quarter.

Should the client grant Commonwealth authority to receive quarterly payments directly from the client's account, the client shall grant limited authorization to Commonwealth to withdraw the contractually agreed upon fees from the account. Commonwealth will notify the client in writing of the exact amount of the withdrawal and the specific manner and basis on which the fee is calculated.

Within thirty days (30) after withdrawal is made if client wishes to dispute such withdrawal, client has sixty days (60) upon receipt of notice to inform Commonwealth in writing of such

dispute. The brokerage firms or custodian of the account is advised in writing of the limitation on Commonwealth's access to the account.

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

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

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

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

ITEMS 7: TYPES OF CLIENTS

Commonwealth provides advisory services to individuals, families, businesses, trusts, estates, charitable institutions, pension and profit sharing plans, and other organizations. There are no minimum asset or income requirements to be a Commonwealth client.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Commonwealth reminds clients that investing in securities involves risk of loss. To aid clients in discerning their investment needs, Commonwealth measures investors' goals, risk tolerance and time horizon through an interview process comprised of comprehensive questions, in an effort to determine investment strategies that, according to the advisors' judgment, are best suited to fit the Client's needs.

Commonwealth may recommend independent investment managers who employ option strategies, and Clients may request the use of option and/or margin strategies.

In providing its investment management services, Commonwealth looks to the long-term. After Commonwealth evaluates the Client's financial needs, the Advisor will design investment and risk management strategies to help the Client achieve his or her financial goals.

ITEM 9: DISCIPLINARY INFORMATION

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the registered investment advisor or the integrity of its management. Neither Commonwealth, its principals, nor its employees have a history of any legal or disciplinary action.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

The principles of Commonwealth own Ibex Investment Advisors, Inc., the General Partner of *The Ibex Funds*. *The Ibex Funds* are Funds of Funds that are offered to Commonwealth clients and other potential investors.

Ibex Investment Advisors, Inc. receives management fees of 1% per year for assets under management in Ibex Absolute Return Fund L.P., Ibex Growth Fund L.P., and Ibex Income Fund L.P. Ibex also receives an incentive fee for each year limited to 20% of the net profits.

Commonwealth will not charge a fee on clients' assets that are invested in Ibex Absolute Return Fund L.P., Ibex Growth Fund L.P., and Ibex Income Fund L.P.

ITEM 11: CODE OF ETHICS

Commonwealth has adopted Written Supervisory Procedures and Code of Ethics which set forth standards of conduct and requires compliance with securities laws.

These Procedures and Code illustrates Commonwealth's high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things.

All supervised persons at Commonwealth must acknowledge the terms of the Code of Ethics annually, or as amended.

ITEM 12: BROKERAGE PRACTICES

Commonwealth may recommend a broker to the client for the purpose of executing trades at a previously negotiated discount rate.

In making this determination, Commonwealth seeks to negotiate a combination of the most favorable commission, and the best price obtainable on each transaction, including consideration of research services to be provided (generally defined as best execution).

Commonwealth selects independent investment managers, subsequent to conducting due diligence, from which clients may choose to manage their accounts. Commonwealth will assist the client in determining which will provide the most effective financial growth based upon client's stated objectives.

While Commonwealth has exercised its best efforts in combining investment performance with the cost of such services offered by the independent managers, Commonwealth does not hold forth that the service to which it refers its clients are of the highest performance or lowest costs. It is possible that the client might be able to contract for similar services elsewhere or separately, with higher performance at lower costs.

ITEM 13: REVIEW OF ACCOUNTS

Client accounts are reviewed on a quarterly basis. Accounts are reviewed more frequently than quarterly if there is any unusual activity in the securities held by such account.

At the client's request, Commonwealth will provide performance measurement reports.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

Solicitation of Outside Money Managers

Commonwealth will recommend various independent investment managers to offer asset allocation and asset management services to Commonwealth's clients. The duties of Commonwealth will include assisting the client in determining investment objectives and appropriate investment managers, setting restrictions or limitations on the management of the account, explaining portfolio strategies and transactions, and reviewing the performance of the investment manager on a quarterly basis prior to introducing clients to the investment manager.

The investment manager may compensate Commonwealth in exchange for introducing / referring clients. Commonwealth will reduce its normal fees by any compensation received from the investment managers. The fee charged by the investment manager will not be increased as a result of any fee agreement to pay Commonwealth.

Commonwealth has relationships whereby Commonwealth can receive up to 50% of the management fee the investment manager charges the account. Commonwealth will also negotiate fees with investment managers on behalf of the clients.

The relationship of Commonwealth with any investment managers will be clearly communicated to all clients in a disclosure statement provided by the investment advisor and/or Commonwealth.

Fees, payments, termination provisions, and refund policies will vary depending upon the investment manager's fee schedule and terms, and will be disclosed in the investment manager's disclosure brochure.

Solicitor Referral Arrangements

Commonwealth may enter into agreements with affiliated and non affiliated third-party solicitors for client referrals. Fees paid to the affiliated or non affiliated third-party solicitors are included in the total fees charged to the client and no additional fees apply.

Any fees paid to a non affiliated third-party solicitor will be paid pursuant to a separate written solicitor's disclosure agreement between Commonwealth and the non affiliated third-party solicitor. The nature of the relationship with the solicitor will be disclosed to the client at the time of solicitation.

Commonwealth will not enter into an affiliated or non-affiliated third party solicitor agreement with any individual or individuals subject to statutory disqualification under Section 203 of the Investment Advisors Act of 1940.

ITEM 15: CUSTODY

At the client's request, Commonwealth will provide quarterly account performance reports.

All customer assets will be held by the custodian of the client's account, and Commonwealth will not hold customer funds or securities, and is independent of the custodian.

The broker-dealer, bank or other qualified custodian holds and maintains clients' investment assets, and sends statements at least quarterly.

ITEM 16: INVESTMENT DISCRETION

Commonwealth generally does not accept or have any discretionary authority to manage securities accounts on behalf of clients. However, clients may grant Commonwealth discretion to manage securities accounts and/or select (or terminate) investment managers on their behalf.

ITEM 17: VOTING CLIENT SECURITIES

As a matter of firm policy and practice, Commonwealth does not have any authority to and does not vote proxies on behalf of any clients. Additionally, Commonwealth will not provide advice to clients regarding their voting of proxies.

ITEM 18: FINANCIAL INFORMATION

Registered investment advisors are required to provide you with certain financial information or disclosures regarding their financial condition. Commonwealth has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of any bankruptcy proceedings.

ITEM 19: REQUIREMENTS FOR STATE REGISTERED ADVISORS

State registered investment Advisors are required to identify their principal executive officer(s) and respective backgrounds.

The Commonwealth Group, Inc. is a Registered Investment Advisor with the SEC, and has notice filed with all requisite states. Accordingly, it takes this opportunity to identify its executive officers:

Richard Louis Kesner DOB: 11/06/45

Education and Licensing:

Bradley University - Peoria, Il.

BS, Journalism 1968

FINRA Series 2 License as Principal of Registered Investment Advisor

Accredited Investment Management Consultant 1990

(AIMC)Institute of Investment Management Consultants

Life Insurance 2003

Professional Experience:

The Commonwealth Group, Inc. 11/91 - Present
President and CEO
Investment Management Associates of Florida, Inc. 03/89- 12/91
President

Jean Susan Kesner DOB: 06/02/47

Education and Licensing:

Northern Illinois University - Dekalb, IL
Chicago Academy of Fine Arts 1965- Interior Design

Professional Experience:

The Commonwealth Group, Inc. 11/91 - Present
Vice President

Lee Anne Foster DOB: 09/03/66

Education and Licensing:

Banks High School 1984
Birmingham, Alabama
Life & Annuities 1/98

Professional Experience:

The Commonwealth Group, Inc. 6/00- Present
Director of Research and Marketing
Morgan Stanley Dean Witter 02/95 - 6/00
Financial Advisor
Smith Barney 02/95 - 06/00
Financial Advisor
South Trust Bank of Alabama 06/89 - 02/95
Plan Administrator

Margaret L. Potruski DOB: 01/24/1959

Education and Licensing:

Florida Atlantic University, BBA; Marketing, 1982

Professional Experience:

The Commonwealth Group, Inc. 3/94-Present
Director of Client Services

Brochure Supplement
(Part 2B of Form ADV)

Supervised Persons:

Richard Louis Kesner

The Commonwealth Group, Inc.

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Suite 101
Boca Raton, Florida 33487

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As of March 31, 2011, this brochure supplement provides information about Richard Louis Kesner that supplements The Commonwealth Group, Inc. brochure. You should have received a copy of that brochure. Please contact Margaret L. Potruski, Director of Client Services at mcp@commonwealthgroup.com or 561-994-3212, if you did not receive The Commonwealth Group, Inc.'s brochure, or if you have any questions about the contents of this supplement.

Additional information about Richard Louis Kesner is available on the SEC's website at www.adviserinfo.sec.gov.

Education and Business Standards

Commonwealth requires the successful acquisition of a college degree, or demonstrated and successful business experience, or combination of both, and requisite continuing education. Related employees of Commonwealth may also be required to have examinations based on specific state examination requirements and continuing education requirements.

Richard Louis Kesner – President, CCO and CEO

DOB: 11/06/45

Education and Licensing:

Bradley University - Peoria, Il.

BS, Journalism 1968

FINRA Series 2 License as Principal of Registered Investment Advisor

Accredited Investment Management Consultant 1990

(AIMC) Institute of Investment Management Consultants

Life Insurance 2003

Professional Experience:

The Commonwealth Group, Inc. 11/91 - Present

President, CCO and CEO

Investment Management Associates of Florida, Inc. 03/89- 12/91

President

Disciplinary Information: None

Other Professional Activity: None

Additional Compensation: None

Supervision: Richard Louis Kesner, as Chief Compliance Officer for Commonwealth, conducts and manages all supervisory and compliance obligations.