

PORTFOLIO ADVISORY GROUP, INC.
FORM ADV PART 2A- DISCLOSURE FORM

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This brochure provides information about the qualifications and business practices of Portfolio Advisory Group, Inc. If you have any questions about the contents of this brochure, please contact us at 703-461-9193 and/or sendiinc@visi.net. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Portfolio Advisory Group, Inc. is registered with the SEC as an investment adviser; however, such registration does not imply a certain level of skill or training.

Additional information about Portfolio Advisory Group, Inc. is available on the SEC's website at www.adviserinfo.sec.gov.

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* A NOTE ABOUT THE FORMAT OF THIS BROCHURE: The SEC requires all investment advisers to organize their disclosure documents according to specific categories, some of which may not pertain to a particular adviser's business. Where a required category is not relevant to our business, we list the category and state that it does not apply.

A. Advisory Business

Portfolio Advisory Group, Inc. (hereinafter referred to as “Portfolio Advisory Group”, “firm” or “we”) provides investment advisory services, investment consulting services and financial planning services and has been in business since 1998. The principal owners of the firm are Messrs. David A. Sendi and Daniel T. Sendi.

Our firm provides investment advisory services for assets placed under our supervision. We invest clients’ money based on the client’s individual needs, utilizing investment guidelines and objectives of each client on a discretionary and non-discretionary basis. Clients can, as part of their investment guidelines, impose restrictions on investing in certain securities and types of securities. Our advisory services are tailored to meet your individual needs.

Our firm provides investment consulting services. We review clients’ investment portfolios and provide specific recommendations with respect to the allocation of funds and the investment of funds into specific types of securities. Investment consulting reviews may be provided on a quarterly, semi-annually or yearly basis.

Our firm provides financial planning services. We review clients’ financial condition and provide advice regarding retirement planning, cash flow analysis, insurance planning, education planning, and estate planning. We may provide limited financial planning services that include a limited review of only some of the above items. Financial planning services are provided annually or when specifically requested in writing by the client.

As of December 31, 2010, Portfolio Advisory Group, Inc. had discretionary authority to manage accounts with assets totaling approximately **\$32,793,934 million**, and had non-discretionary authority to over assets totaling approximately **\$4,163,554 million**.

B. Fees and Compensation

Unless otherwise negotiated, Portfolio Advisory Group charges the following fees for its investment advisory services:

Assets Under Management	Annual Percentage
\$1- \$100,000	1.00-2.00%
\$100,001 - \$1,000,000	0.75%-2.00%
Greater than \$1,000,000	0.75%-1.50%

Fees may differ from the applicable schedule above due to particular circumstances of the client or as otherwise negotiated with particular clients. As a result of this practice, Portfolio Advisory Group may charge different fees to different clients receiving the same services. Clients should note that advisory services similar to those rendered by our firm may be available from other

registered investment advisers for lower rates.

Unless otherwise negotiated, fees are charged quarterly, in arrears. The quarterly fee will be calculated by multiplying the account's asset value at the close of business the last day of the calendar quarter by one-quarter of the annual fee.

Portfolio Advisory Group sends invoices for fees to the client detailing the account value on which the fee is based, the agreed upon percentage fee(s), and the amount due. In accordance with the instructions of the client, Portfolio Advisory Group will also send a copy of the invoice to the custodian of the account.

In addition to the advisory fees discussed in this section, clients are responsible for any custodian fees, mutual fund fees, exchange traded fund fees and brokerage commissions, markups, markdowns and other sales charges and transaction fees resulting from transactions in their managed accounts. (Please see Section I below for more information regarding our brokerage practices.) All fees paid to Portfolio Advisory Group for services are separate and distinct from these fees.

For its investment consulting and financial planning services, unless otherwise negotiated, our firm charges an hourly fee of \$165.00. Clients are billed monthly with fees due promptly after receipt of the bill.

Investment advisory services, investment consulting services and financial planning services may be terminated by the client at any time by delivering written notice of termination to our firm, or by our firm thirty (30) days after delivering a written notice of termination to the client. If a client terminates services within five (5) business days after signing a contract, the client will not be charged any fees. If, at any other time, the client terminates the contract prior to the end of the calendar quarter, a fee will be charged for the pro-rata portion the calendar quarter the investment advisory services were provided or in the case of investment consulting services and financial planning services, the hourly fee will be charged for any unpaid work conducted prior to receipt of a written notice of termination.

C. Performance-Based Fees and Side-By-Side Management

Our firm does not charge performance based fees (i.e., fees based on a share of capital gains on or capital appreciation of the assets of a client) nor engage in side-by-side management.

D. Types of Clients

Our firm provides investment advice to Individuals, IRA's (individual retirement accounts) of individuals, Pension and Profit Sharing Plans, including SEP-IRA's and SIMPLE-IRA's, Trusts, Estates, and Charitable Organizations.

Portfolio Advisory Group does not impose a minimum account size for opening or maintaining an account.

E. Methods of Analysis, Investment Strategies and Risk of Loss

The method of analysis we use to manage accounts is primarily fundamental. Sources of information include financial newspapers and magazines, research materials prepared by others, corporate ratings services, timing services, annual reports, prospectuses, and filings with SEC and Company press releases.

Depending on the particular client we primarily utilize a combination of long term purchase of securities, short term purchases of securities and in some cases we utilize trading of securities for less than thirty (30) days. Depending on the investment objectives of the client, we generally seek to limit stock ownership (including mutual fund and exchange traded funds). For clients with investment objectives which indicate minimal risk, we will limit stock ownership to no more than 40% of the total account value; for average risk, no more than 65%; for above average risk, no more than 80%; and for high risk, 100%.

We do not guarantee the future performance or any specific level of performance, the success of any investment decision or strategy that we may use, or the success of the overall management of a client account. Client accounts may be subject to various risks including but not limited to market risk (i.e. fluctuation of the market over time), business risk (i.e. fluctuation of a particular industry or company independent of the market over time), interest rate risk (i.e. bond prices fall when interest rates rise), credit risk (i.e. a particular bond price will fall when a company's financial condition deteriorates), and management risk (i.e. our investment decisions may not always be profitable). Further, investing in mutual funds and exchange traded funds can effect performance due to the increase in costs associated with these products. Investing in securities involves risk of loss that clients should be prepared to bear.

F. Disciplinary Information

Our firm and employees, officers and directors have no legal or disciplinary events to report.

G. Other Financial Industry Activities and Affiliations

Neither our firm nor its employees, officers and directors have other financial industry activities and affiliations that are material to our business or to our clients.

H. Code of Ethics , Participation in Client Transactions and Personal Trading

Our firm has adopted a Code of Ethics which, among other things, sets forth the standards of conduct expected of our employees, officers and directors of our firm ("supervised persons"). The Code requires compliance with applicable federal securities laws and contains written policies reasonably designed to prevent insider trading.

Portfolio Advisory Group does not buy or sell securities for its own account. Portfolio Advisory Group's supervised persons may buy or sell for their own accounts the same securities held in

client accounts. To avoid conflicts, our firm's supervised persons must receive prior authorization from our firm's Chief Compliance Officer before buying or selling any security. With respect to any security in which our firm has made a buy or sell recommendation to a client, our firm's supervised persons are prohibited from engaging in any transaction with respect to such security for at least the next full trading day after the recommendation has been made to all applicable clients or until all applicable clients have fully executed the recommendation or have informed us that they will not act on the recommendation.

Supervised persons are required to report to our firm's Chief Compliance Officer initial and annual holdings and quarterly transactions in reportable securities and obtain pre-approval of certain investments such as initial public offerings and limited offerings. Our firm will provide a copy of the Code of Ethics at no cost to any client or prospective client upon request.

I. Brokerage Practices

At the outset of the investment advisory relationship, the client must select the broker-dealer(s) and provide written authorization to our firm to place securities order with such broker-dealer(s).

We do not select broker-dealers or negotiate commissions with the selected broker-dealer and therefore the client may be foregoing any benefit from savings on execution costs that may be obtained as a result of us negotiating the commissions. Clients have the responsibility of determining whether the commissions, executions, clearance and settlement capabilities and fees for custodial or other services provided to the client by that broker-dealer is appropriate. Our firm expects custodial and brokerage firms to meet minimum requirements for operational efficiency and therefore not all custodial and brokerage firms may be acceptable to our firm. Our firm reserves the right to not accept a designated broker-dealer where we do not already have a working relationship.

The client must select the broker-dealer and authorize our firm to place securities orders with such broker-dealer. However, we may recommend broker-dealers to clients. In suggesting broker-dealers, we consider how reasonable their commissions are based upon, but not limited to, the (1) financial stability of the broker-dealer; (2) responsiveness to orders; (3) expected average client order sizes; (4) speed of execution; (5) fixed income inventory; (6) access to new issues; (7) quality of customer service; (8) ability to service specialized accounts; (9) ability to service client accounts. The above factors are not listed in any particular order. Clients are not required to use the recommended broker-dealer.

Portfolio Advisory Group receives research services (most of which is unsolicited) from various brokers-dealers. These services (which are sometimes referred to as "soft-dollar services") include third party research reports, current market data, and access to webinars & roundtable discussions. Portfolio Advisory Group does not have any commitments or understandings to trade with specific broker-dealers in order to receive these brokerage or research services. The research products and services Portfolio Advisory Group obtains from broker-dealers may be used to service all client accounts, even though certain clients may not have paid commissions to the brokers who provided the research, and we do not seek to allocate soft-dollar benefits to

accounts proportionately to the commission credits the accounts generate. While our receipt of research in connection with client securities transactions benefits clients by enabling us to make more informed investment decisions, such arrangements might also be seen to confer a benefit on us, because we do not have to produce or pay for the research or other services we receive in any way. For this reason, the SEC requires us to disclose that we may have an incentive to recommend a broker-dealer based on our interest in receiving research rather than on clients' interest in receiving most favorable execution.

In order to protect clients' interests, Portfolio Advisory Group has adopted policies and procedures to ensure that our soft-dollar practices are structured in accordance with the safe harbor established under Section 28(e) of the Securities Exchange Act of 1934. In this regard, we take steps to confirm that client commissions are used only for services that provide lawful and appropriate assistance to us in carrying out our investment-decision-making responsibilities.

To the extent that clients have selected the same broker-dealers, we will seek to combine (aggregate) the purchase and sales of securities (in particular stocks) when permitted by the broker-dealer. In making such block trades, clients at that broker-dealer will receive the same average price. Clients who have not selected such broker-dealer may pay higher commission or receive a less favorable price.

J. Review of Accounts

Each investment advisory account, investment consulting account and financial planning account is assigned a reviewer, Mr. David A. Sendi our firm's President, and/or Mr. Daniel T. Sendi, our firm's Vice-President.

Investment advisory accounts are reviewed on a periodic basis, at least quarterly, for portfolio investment actions, changes in investment environment, and adherence to client guidelines or limitations. Clients of investment advisory accounts receive a written quarterly transaction report and evaluation of his or her account. The report includes a performance, security positions, price and market value of the account, and taxable accounts receive a statement of realized gains and losses. Additional reports may be available upon the client's request.

Financial planning accounts are generally reviewed annually, if requested by the client per the financial planner's agreement, to update the financial plan, to determine whether the financial plan's objectives are being met and to determine and address changes in the client's circumstances. Financial planning accounts may be reviewed on a basis other than annually if requested by the client in writing. Clients of financial planning accounts receive a written initial plan with the option of written annual updates if requested by the client. The financial plans include analysis and comments regarding the specific areas covered by the financial planner's agreement (i.e. retirement plan, estate plan, cash flow analysis, education plan, insurance plan). Clients may receive written updates for their financial planning accounts at other times if requested by the client.

Investment consulting accounts are generally reviewed on a quarterly, semi-annually or annual

basis as per the client agreement. Investment consulting services are reviewed for portfolio investment recommendations, changes in investment environment and adherence to client guidelines or limitations. Clients may request in writing that investment consulting accounts be reviewed on a different periodic basis. Clients of investment consulting accounts receive an initial consultation with the option of either quarterly, semi-annual, or annual updates. The consultation includes written investment recommendations. Clients may receive written updates for their investment consulting accounts at other times if requested by the client.

K. Client Referrals and Other Compensation

This item does not apply to Portfolio Advisory Group's business.

L. Custody

Our firm does not have custody of client funds or securities. All funds are held by qualified custodians and are selected by the client. Clients should carefully review account statements received directly from the custodian. We also urge each client to compare the Portfolio Advisory Group statement with their custodian's account statement.

M. Investment Discretion

Generally, our clients give us investment discretion over assets placed under our supervision. Before we can assume discretionary authority to manage your account, you will enter into a written agreement with us giving Portfolio Advisory Group the power to make purchase and sale decisions for your account. Discretionary authority will generally authorize us to make all investment decisions (i.e. the amount and type of securities to be bought and sold subject to the written investment objectives, guidelines or restrictions applicable to the account) without consulting with the client in connection with each transaction. Any limitations to such authority will be communicated by you to us in writing.

At a client's request, we may also be retained on a non-discretionary basis, in which case we will make recommendations for your account, but all investment decisions will be made by you and all account transactions will be executed only in accordance with your investment advisory agreement.

N. Voting Client Securities

Our firm does not accept proxy voting authority with respect to client securities holdings. The voting of proxies is the sole responsibility of the client.

The client's custodian will generally provide either directly themselves or through a transfer agent the proxy materials and solicitations for the client to vote. Clients may contact us by phone to discuss any questions they may have with respect to a particular solicitation.

O. Financial Information

This item does not apply to Portfolio Advisory Group's business.