

Kiely Capital Management, Inc.

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This brochure provides information about the qualifications and business practices of Kiely Capital Management, Inc. If you have any questions about the contents of this brochure, please contact us at the telephone number and/or e-mail address above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority.

Kiely Capital Management, Inc. is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training. The verbal and written communications of an investment adviser provide you with information you need to determine whether to hire or retain the advisor.

Additional information about Kiely Capital Management, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2 MATERIAL CHANGES

This Part 2 represents our initial filing of this disclosure brochure.

Please contact us if you would like a copy of our updated Part 2.

ITEM 3

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ITEM 4: ADVISORY BUSINESS

Who we are

Kiely Capital Management, Inc. (referred to as “we,” “our,” “us,” or “KCM”), has been registered as an investment advisor since January 1985. Our principals are Bernard Kiely and Yvonne Kiely.

Services we offer

Two-Hour Consultation

This is a working financial-planning session. It is ideal for those who do not want the expense of a complete written plan. We will discuss your financial planning, income tax or investment problem. The goal of this meeting is to provide you with as much information as possible during your two hours.

Here are some sample topics that we could discuss:

- College Saving Plan
- Retirement Cash Flow
- Life Insurance Review
- Investment Asset Allocation Review
- Mutual Fund Basics
- Evaluation of your 401(k) Plan
- Review Of Your Early Retirement Offer
- Discussion Of Lump Sum vs. Lifetime Annuity
- IRA Required Minimum Distributions
- Tax Effect Of Selling A Large Appreciated Asset
- Advantages & Disadvantages of Trusts
- Whatever You Want To Discuss

Obviously we cannot prepare an elaborate written financial plan in two hours and we cannot discuss more than one or two topics. However, a Two-Hour Consultation is ideal for those who have one or two financial concerns and need fast, accurate information.

Financial Planning

We begin every new client relationship by preparing a financial plan which includes retirement projections, a long-term cash flow analysis and an income tax forecasts. For those with younger children, we will also analyze your options for funding college educations.

Our process starts by gathering information about your present financial circumstances. This includes an inventory of all your assets, such as investment accounts, retirement plans and personal property as well as your liabilities like mortgages, home equity loans or credit card debt. With this information we prepare a projection of all sources of income including Social Security and pension benefits, through age 95. Our analysis also projects your expected living expenses and income taxes over the same time period.

A final written plan including summary illustrations, cash flow analysis and income tax projections will be presented to you at a review meeting.

Investment Management

During the financial planning process we will come to understand your attitude toward risk and your tolerance for volatility. These inputs are used to help us construct a portfolio of assets designed to best help you achieve your long-term retirement goals, while keeping your risk profile in mind. We use our experience and expertise to select a combination of no-load mutual funds, ETFs and fixed income securities best suited to each individual client's needs. That need could be making your money stretch during retirement, funding college educations or making savings grow into a sizable nest egg. Your portfolio is monitored on a regular basis and adjusted as necessary to reflect moves in the financial markets.

Our unique Investment Management service combines financial planning, discretionary asset management, and income tax services into one package for one fee. Investment Management clients receive the following services on an ongoing basis:

- Cash Management
- Investment Management
- Estate Planning
- Retirement Planning
- College Planning
- Income Tax Planning
- 401(k) Plan Planning
- Maintaining Tax Records
- Insurance Planning
- Debt Management

After we assemble your initial financial plan, you will receive all the above services on an ongoing basis. Our management fee is all inclusive and there are no additional charges for telephone calls, emails, office consultations, plan updates, or other meetings.

We invest primarily in open ended mutual funds and exchange traded funds (ETFs). We allocate your investments into numerous asset classes so that your investments are properly diversified. Once your portfolio is completely invested we monitor each investment monthly and rebalance as necessary. We believe market timing does not work. We also believe it is not possible to get out of the market at the top and back in at the bottom.

Clients may not impose restrictions on investments on the types of investments made.

Assets under management

As of December 31, 2010, we manage assets of \$54.5 million on a discretionary basis. We do not manage any assets on a non-discretionary basis.

ITEM 5: FEES AND COMPENSATION

Investment Management Services

Advisory Fees & Billing Practices

Fees for investment management services are based on the value of the assets in your account at the end of each calendar quarter. Fees are based on the following schedule:

<u>Assets under Management</u>	<u>Annual Fee</u>
\$0 to \$1,000,000	1.00%
\$1,000,001 to \$2,000,000	0.75%
\$2,000,001 and up	0.50%

There is a minimum fee of \$1,250 per quarter, \$5,000 per year.

Our fees are not negotiable.

We require that you provide authorization for us to deduct our fees directly from your investment account. Important information about the deduction of management fees:

- You must provide authorization for us to deduct fees by initialing the appropriate section of our contract.
- You will receive a statement from your custodian which shows your holdings.
- You are responsible for reviewing the accuracy of the fees being billed, as the custodian will not do so.

If you would like to end our advisory relationship, you may do so by providing written notice. We will prorate the advisory fees received through the termination date and send you an invoice for the advisory fees due.

Other Costs Involved

In addition to our advisory fee shown above, you are responsible for paying fees associated with investing for your account. These fees include:

- management fees for ETFs and mutual funds. These are fees charged by the managers of the ETF or mutual fund and are a portion of the expenses of the ETF or mutual fund.
- brokerage costs and transaction fees for any securities or fixed income trades. These are generally charged by your custodian and/or executing broker.

Additional information about brokerage costs and services is provided in “Item 12: Brokerage Practices.”

Financial Planning

There is a minimum fee for a written financial plan, which contains a long-term cash flow analysis and income tax estimate, of \$3,750, which is based on an hourly rate of \$250. The minimum fee covers most regular plans. The price for the financial plan will be re-negotiated if, after we have had a chance to review your comprehensive client profile and financial questionnaire, there are conditions that require additional reviews. You will receive an invoice upon completion of the financial plan that is payable upon receipt. You may pay for financial planning services by check or cash.

You may cancel our financial planning agreement at any time by providing written notice. Upon cancellation, we will present you with an invoice for time spent. This invoice is payable upon receipt.

We have a conflict of interest when providing financial planning advice. When you implement the financial plan through us, we receive the customary fees as disclosed in the previous section. You are not required to employ us to implement the financial plan, or implement the plan, or any portion of it, at all.

Two Hour Consultations

Office consultations are provided at an hourly rate of \$250. Our minimum office consultation for new clients is 2 hours. Payment is due at the time of the consultation.

Asset Allocation Services

For non-investment management clients, we may provide asset allocation services. These services are provided for a fee of 0.5% of the investable assets, with a minimum fee of \$1,000. For investment management service clients, this service is included at no additional charge.

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

We do not receive performance fees for managing accounts.

ITEM 7: TYPES OF CLIENTS

We provide advice to individuals, trusts and pension plans.

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

We invest almost exclusively in open ended mutual funds and exchange traded funds (ETFs). We look for a manager with at least three years experience. We look for above average returns; the 51percentile does it for us. We also look for below average expense ratios. Finally we never use a mutual fund that has a sales commission.

We agree on an investment plan and we keep at it. The single biggest risk you face is if the market flops and you panic and abandon the plan. You turn paper losses into real losses. Plus you aren't in the market when the market ultimately rebounds.

We use diversified mutual funds and exchange traded funds. By diversifying into numerous asset classes we try to minimize market risk.

All investments involve different degrees of risk. You should be aware of your risk tolerance level and financial situations at all times. We cannot guarantee the successful performance of an investment and we are expressly prohibited from guaranteeing accounts against losses arising from market conditions.

ITEM 9: DISCIPLINARY INFORMATION

Registered investment advisors are required to disclose any material facts regarding any legal or disciplinary actions that would be material to your evaluation of the investment advisor and each investment advisor representative providing investment advice to you. We have no information of this type to report.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Mr. Kiely is also a CPA. As an individual, he provides tax preparation services to clients. Clients may be invoiced separately for these services. You are under no obligation to use Mr. Kiely for tax preparation services. Mr. Kiely spends approximately 8% of his time on performing accounting services.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

We have adopted a set of enforceable guidelines (Code of Ethics), which describes unacceptable conduct by KCM and our associated persons. Summarized, this Code of Ethics prohibits us from:

- placing our interests before yours,
- using non public information gathered when providing services to you for our own gains, or
- engaging in any act, practice or course of business that is, or might be considered, fraudulent, deceptive, manipulative, or in violation of any applicable law, rule or regulation of a governmental agency.

Please contact us if you would like to receive a full copy of this Code of Ethics.

Personal Trading for Associated Persons

We may buy or sell some of same securities for you that we already hold in our personal account. We may also buy for our personal account some of the same securities that you already hold in your account. It is our policy not to permit our associated persons (or their immediate relatives) to trade in a way that takes advantage of price movements caused by your transactions.

We may restrict trading for a particular security for our accounts or those of our associated person if there is a pending trade in that security in a client account. Trades for our accounts (and those of our associated

persons) will be placed after client trades have been completed. When our trades are placed after our client trades, we may receive a better or worse price than that received by the client.

All persons associated with us are required to report all personal securities transactions to us quarterly.

ITEM 12: BROKERAGE PRACTICES

The Custodian and Brokers We Use

We do not maintain custody of your assets that we manage, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see “Item 15: Custody”). Your assets must be maintained in an account at a “qualified custodian,” generally a broker/dealer or bank. We require that our clients use Charles Schwab & Co., Inc. (“Schwab”), a registered broker/dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we require that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. If you do not wish to place your assets with Schwab, then we cannot manage your account.

Not all advisors require their clients to use a particular broker-dealer or other custodian selected by the advisor. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account as described below (see “Your Brokerage and Custody Costs”).

How We Select Brokers/Custodians

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

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.)
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed below (see “*Products and Services Available to Us From Schwab*”)

Your Brokerage and Custody Costs

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. In addition to commissions, Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "*How We Select Brokers/Custodians*").

Products and Services Available to Us From Schwab

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like us. They provide us 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 also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis (we don't have to request them) and at no charge to us as long as our clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. If our clients collectively have less than \$10 million in assets at Schwab, Schwab may charge us quarterly service fees of \$1,200. Following is a more detailed description of Schwab's support services:

Services That Benefit You.

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

Services That May Not Directly Benefit You.

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts

Aggregation of Orders

We do not aggregate orders. We trade mutual funds or exchange traded funds in a limited number of accounts per day. The number of accounts and the type of securities traded create a situation where trade aggregation does not garner any benefits.

ITEM 13: REVIEW OF ACCOUNTS

Investment Management Services

All accounts are reviewed periodically as follows:

- On a quarterly basis to determine if an account needs to be rebalanced.
- On a monthly basis for clients on fixed income monthly to assure that there is enough cash available for withdrawals.
- On a daily basis we compare holdings to their benchmarks. If necessary, we will sell an underperforming fund.

All reviews are performed by Yvonne C. Kiely, our Chief Investment Officer, and may be performed more frequently when market conditions warrant.

On a quarterly basis we provide the following reports to clients:

1. A Portfolio Performance Review. This report shows the total amount of money deposited under our control, the amount of money withdrawn. It shows unrealized gains, interest and dividends earned. The report shows the total amount of our fees since inception. Finally, it shows your ending balance and the total investment gain after our fees since inception.
2. A Portfolio Position Analysis. This lists each investment by asset class, the cash invested and its current value.
3. A Comparative Portfolio Performance Chart. This is a line chart showing the growth of \$100 in the portfolio.
4. The fourth quarter report includes a realized gains and loss report for taxable accounts. This report is used for income tax preparation.

Financial Planning

Upon request from the client, a review of the financial plan will be performed. This review, performed by Bernard M. Kiely, our President, would update cash flow projections.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see "Item 12: Brokerage Practices"). The availability to us of Schwab's products and

services is not based on us giving particular investment advice, such as buying particular securities for our clients.

We do not directly or indirectly compensate anyone for client referrals.

ITEM 15: CUSTODY

If you give us authority to deduct our fees directly from your separately managed account, we have custody of those assets. In order to avoid additional regulatory requirements in these cases, we follow the procedures outlined in “Item 5: Fees and Compensation.” Schwab maintains actual custody of your assets. You will receive account statements directly from Schwab at least quarterly. They will be sent to the email or postal mailing address you provided to Schwab. You should carefully review those statements promptly when you receive them. We also urge you to compare Schwab’s account statements to the periodic portfolio reports you receive from us.

ITEM 16: INVESTMENT DISCRETION

As one of the conditions of managing your account, you are required to provide discretionary authority for us to manage your assets. Discretionary authority means that you are giving us a limited power of attorney to place trades on your behalf. This limited power of attorney does not allow us to withdraw money from your account, other than advisory fees if you agree to give us that authority.

You grant us discretionary authority by completing the following items:

- Sign a contract with us that provides a limited power of attorney for us to place trades on your behalf. Any limitations to the trading authorization will be added to this agreement.
- Provide us with discretionary authority on the new account forms that are submitted to the broker/dealer acting as custodian for your account(s).

We do not accept limitations on our discretionary authority.

ITEM 17: VOTING CLIENT SECURITIES

We do not accept the authority to vote proxies on your behalf; however, upon request, we would provide guidance about how to vote a particular proxy. You will receive proxies and other related paperwork directly from your custodian.

ITEM 18: FINANCIAL INFORMATION

As a registered investment advisor, we are required to provide you with certain financial information or disclosures about our financial condition. KCM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

BROCHURE SUPPLEMENT
ITEM 1: COVER SHEET

Bernard M. Kiely
Kiely Capital Management, Inc.
51 Dumont Place
Morristown, NJ 07960
(973) 455-1894

February 15, 2011

This Brochure Supplement provides information about Bernard M. Kiely that supplements the Kiely Capital Management, Inc. Brochure. You should have received a copy of that Brochure. Please contact Bernard M. Kiely, Chief Investment Officer at (973) 455-1894 or bernie@kielycapital.com if you did not receive Kiely Capital Management, Inc.'s Brochure or if you have any questions about the content of this supplement.

Additional information about Bernard M. Kiely is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2: EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Bernard M. Kiely was born in 1948. He received a BA in Accounting from Upsala College in 1975 and went on to receive a MBA in Finance from Rutgers University in 1980.

Employment Background

Employment Dates: 3/1993 - Present
Firm Name: Kiely Capital Management, Inc.
Type of Business: Investment Advisor
Job Title: President & CEO.

Employment Dates: 1/1983 - Present
Firm Name: Bernard M. Kiely, CPA
Type of Business: CPA/Income Tax
Job Title: Sole Proprietor

Professional Designations

Certified Public Accountant (CPA) – 1982

Certified Financial Planner (CFP) – 1985

The CFP designation is issued by the Certified Financial Planner Board of Standards, Inc. In order to receive a CFP designation, the candidate must have a bachelor's degree or higher from an accredited college or university and have 3 years of full-time personal financial planning experience. In addition, the candidate must complete a CFP board-registered program or hold one of the following: CPA, ChFC, Chartered Life Underwriter(CLU), CFA, Ph.D. in business or economics, Doctor of Business Administration or attorney's license. Once the designation is earned, the CFP must complete 30 hours of continuing education every 2 years.

Certified Public Accountants (CPAs) are licensed and regulated by their state boards of accountancy. While state laws and regulations vary, the education, experience and testing requirements for licensure as a CPA generally include minimum college education (typically 150 credit hours with at least a baccalaureate degree and a concentration in accounting), minimum experience levels (most states require at least one year of experience providing services that involve the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, all of which must be achieved under the supervision of or verification by a CPA), and successful passage of the Uniform CPA Examination. In order to maintain a CPA license, states generally require the completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over a two year period or 120 hours over a three year period). Additionally, all American Institute of Certified Public Accountants (AICPA) members are required to follow a rigorous Code of Professional Conduct which requires that they act with integrity, objectivity, due care, competence, fully disclose any conflicts of interest (and obtain client consent if a conflict exists), maintain client confidentiality, disclose to the client any commission or referral fees, and serve the public interest when providing financial services. The vast majority of state boards of accountancy have adopted the AICPA's Code of Professional Conduct within their state accountancy laws or have created their own.

ITEM 3: DISCIPLINARY INFORMATION

Registered investment advisors are required to disclose any material facts regarding any legal or disciplinary actions that would be material to your evaluation of each investment advisor representative providing investment advice to you. There is no information of this type to report.

ITEM 4: OTHER BUSINESS ACTIVITIES

Mr. Kiely is also a CPA and expects to spend approximately 8% of his time providing accounting services to clients.

ITEM 5: ADDITIONAL COMPENSATION

Mr. Kiely does not receive any economic benefit from any non-client for providing advisory services.

ITEM 6: SUPERVISION

Bernard M. Kiely, President & CEO is responsible for supervision of all employees. His telephone number is (973) 455-1894.

BROCHURE SUPPLEMENT
ITEM 1: COVER SHEET

Yvonne C. Kiely

Kiely Capital Management, Inc.

51 Dumont Place
Morristown, NJ 07960
(973) 455-1894

February 15, 2011

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Additional information about Yvonne C. Kiely is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2: EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Yvonne C. Kiely was born in 1952.

Educational Background

<u>School Name</u>	<u>Degree</u>	<u>Year</u>	<u>Major(s)</u>
Upsala College	BA	1974	English
Upsala College	BS	1977	Accounting
Rutgers University	MBA	1979	Finance

Employment Background

Employment Dates: 3/1993 - Present
Firm Name: Kiely Capital Management, Inc.
Type of Business: Investment Advisor
Job Title: Chief Investment Officer

ITEM 3: DISCIPLINARY INFORMATION

Registered investment advisors are required to disclose any material facts regarding any legal or disciplinary actions that would be material to your evaluation of each investment advisor representative providing investment advice to you. There is no information of this type to report.

ITEM 4: OTHER BUSINESS ACTIVITIES

Ms. Kiely is not involved in any other business activities.

ITEM 5: ADDITIONAL COMPENSATION

Ms. Kiely does not receive any economic benefit from any non-client for providing advisory services.

ITEM 6: SUPERVISION

Bernard M. Kiely, President & CEO, is responsible for the supervision of Ms. Kiely. His telephone number is (973) 455-1894.