

DiBiase and Ruscetti Associates, Inc.

A Registered Investment Advisor

ADV Part 2A – Firm Brochure

**1100 Smallman Street
Pittsburgh, PA 15222**

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Dated March 11, 2011

This ADV Part 2A brochure provides information about the qualifications and business practices of DiBiase & Ruscetti Associates, Inc. If you have any questions about the contents of this brochure, please contact us at (412)391-1466. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about DiBiase & Ruscetti Associates, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

DiBiase & Ruscetti Associates, Inc. is a SEC-registered investment adviser. This registration does not imply any level of skill or training.

Material Changes

Revised March 11, 2011

The purpose of this page is to inform you of any material changes since the previous version of this brochure.

Richard DiBiase and Frank Ruscetti own and operate two complimentary companies: Harvest Financial Corporation (Harvest) and DiBiase & Ruscetti Associates, Inc (D&R). Harvest, a securities broker/dealer, has offered its clients transactional investment advice since 1982. Since 1994, DiBiase & Ruscetti Associates has been registered as an investment adviser and offers investment, financial planning, and consulting advice for an hourly or asset based fee. In an effort to help eliminate any confusion and add transparency, Messrs. DiBiase and Ruscetti want to ensure that clients of both firms are able to differentiate the two firms. This is the brochure for DiBiase & Ruscetti Associates, Inc.

If you were previously a client of DiBiase & Ruscetti Associates, Inc, this brochure dated March 11, 2011 is a new document prepared according to new regulations and rules. As such, this document is materially different in structure and requires certain new information that D&R's previous brochure did not require. In the future, this item will discuss only specific material changes that we make to our brochure and provide you with a summary of such changes. We will also reference the date of our last annual update of our brochure. There are no other material changes to this brochure.

We review and update our brochure at least annually to make sure that it remains current.

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The supplement shown below is not applicable to DiBiase & Ruscetti Associates, Inc. Therefore, D&R is not required to include the supplement in this brochure.

- **Part 2A, Appendix 1: The “Wrap Brochure”** – DiBiase & Ruscetti Associates, Inc. does not sponsor a wrap fee program. Therefore, **Part 2A, Appendix 1** is not applicable to DiBiase & Ruscetti Associates, Inc.

Item 4 Advisory Business

DiBiase & Ruscetti Associates, Inc. (D&R or 'the Firm') is a registered investment advisor located in Pennsylvania and registered with the SEC. D&R is equally owned by Richard H. DiBiase and Frank D. Ruscetti. D&R has been incorporated since 1992.

The Firm consults on investment portfolios on both a discretionary and non-discretionary basis for individuals, qualified retirement plans, trusts, corporations and small businesses. Clients can sign account documents that grant DiBiase and Ruscetti, Inc. discretion over their accounts. Discretion allows D&R to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is exercised in a manner consistent with the Investment Policy Statement for the particular client account. When selecting securities and determining amounts, D&R observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to DiBiase & Ruscetti Associates, Inc in writing.

D&R and its representatives work with a client to determine the client's investment objectives and investor risk profile to design a written investment policy statement. Our staff will help define an appropriate asset mix that is most likely to achieve our client's objectives by selecting shares of both load (purchased at NAV) and non-load mutual funds, individual common stock, preferred stock, individual bonds, unit investment trusts, closed end funds, etc. The Firm uses investment and portfolio allocation software to evaluate different portfolio designs. D&R and its representatives evaluate the client's existing investments with respect to the client's investment policy statement. If applicable, D&R works with new clients to develop a plan to transition from the client's existing portfolio to the recommended portfolio allocation. D&R monitors the client's portfolio holdings and the overall asset allocation strategy, provides quarterly performance reports, and holds review meetings with the client regarding the account as necessary.

D&R clients may choose to participate in the Manager Connect Program (wrap program) offered by Mesirow Financial, Inc. The Manager Connect Program is an open architecture multi-manager investment program that can include separately managed accounts, mutual fund management or a combination of both. The Manager Connect Account Disclosure Brochure can be provided to interested clients, which fully explains the features of this account. Clients who wish to open a Manager Connect Account also will execute a separate Manager Connect Investment Management Agreement, which fully explains the additional costs that may be associated with these programs. These additional costs may include the underlying management and operating expenses commonly associated with mutual fund ownership, management fees charged by individual investment managers, administrative costs charged by the program sponsor and custodian, and the fee charged by D&R.

Along with investment consulting, DiBiase and Ruscetti Associates, Inc. can provide financial planning to its clients. This can be provided for a flat fee or it can be included as part of the overall asset based fee (See Item 5 for an outline of our fees).

DiBiase & Ruscetti Client Assets Under Management as of March 11, 2011

(Rounded to the nearest \$100,000)

Discretionary	\$21,330,231
Non-discretionary	<u>\$11,805,791</u>
Total	\$33,136,022

Item 5 Fees and Compensation

D&R is a fee based investment advisor. Our fees are charged quarterly in advance as a percentage of assets, hourly, or a flat fee. For clients who use Harvest for execution of securities transactions, DiBiase & Ruscetti Associates, Inc. does not pass charges (commission, custodial, account, etc.) on to clients; all such charges are paid by D&R. D&R does not pass charges on to clients whose securities transactions are executed through Harvest Financial Corporation.

Quarterly Asset Based Fees – These fees are calculated using the total account value at the close of trading on the previous quarter’s last day. Quarterly fees are charged in advance, and are refundable retroactively for the remaining days in the quarter in which a client leaves. Fees from previous quarters are not refundable. The chart below shows our Asset Based Fees for all accounts.

The First \$250,000	2.00%
The Next \$250,000	1.50%
The Next \$250,000	1.10%
The Next \$250,000	0.90%
The Next \$1,000,000	0.70%
Above \$2,000,000	0.50%

The minimum fee is \$2,000 per year; this minimum is not negotiable. Fees for managed investment accounts may be negotiated at a lower rate than the published fee schedule above for individual accounts with assets of \$5 million or more, or a group of related accounts totaling \$5 million or more in assets under management. While it is not DiBiase & Ruscetti’s practice to do so, fees can negotiated for accounts below \$5 million, and like all negotiated fees, a principal of D&R must approve the lower fee. Accounts that have started fee arrangements prior to December 31, 2010 may differ from the fee schedule above.

Clients can also pay an hourly fee, or a flat fee for consulting services determined by the complexity of each client's circumstances and an estimate of the number of hours to complete the project and will be quoted at the time of engagement. The investment advisor representative determines the minimum fee for hourly and flat fee.

DiBiase and Ruscetti Associates, Inc. minimum fee guidelines for consultations are as follows:

- | | |
|--------------------------------------|---------------------------------------|
| A. Investment Plan - | .25% of assets/minimum fee is \$2,000 |
| B. Investment Consultation Meeting - | \$250/hour/minimum fee is \$500 |
| C. Security/Portfolio Evaluation- | \$250/hour/minimum fee is \$500 |

In addition to D&R's advisory fees, clients will also incur, relative to mutual fund investments, normal expenses and advisory fees imposed by the mutual funds held in the account. These expense ratios are included in each funds' prospectus. Some mutual funds impose fees if they are sold prior to their short term holding periods. Short-term trading fees are detailed in each mutual fund's prospectus.

The Billing method for quarterly based asset fees involves clients authorizing the account's custodian to pay the management fee by debiting the account quarterly in advance. The amount is based on the market value of your account's assets on the last day of the previous quarter as valued by the account custodian. The management fee for the initial month is calculated based on the contributions made into each account.

A Client may add cash to and withdraw funds from the account(s) at any time. If assets are deposited into or withdrawn from your account(s) after the beginning of the quarter, that quarter's management fee will not be adjusted or prorated. The client or D&R may terminate the investment advisory agreement in writing at any time on a mutually acceptable period of notice, usually not more than thirty (30) days. Fees paid prior to termination are refunded on a prorate basis.

Currently, the advisor representatives of DiBiase & Ruscetti Associates, Inc. are licensed registered representatives of Harvest Financial Corporation, a FINRA Member Broker Dealer. At Harvest, D&R representatives receive commissions for the sale of investment products. These commissions are not paid from assets under management with D&R nor are these accounts considered accounts of DiBiase & Ruscetti Associates, Inc. Some of the advisor representatives are also insurance licensed and can receive compensation for insurance products they sell to clients separate from fee compensation.

From time to time, D& R may recommend the purchase of mutual funds and/or exchange traded funds to clients. Clients will bear a proportionate share of the operating expenses of the various

funds in which they are invested independent of any advisory fee charged by D&R. The Firm has no financial interest and receives no benefit from these payments. Nevertheless, if D&R recommends that a client purchase shares of a mutual fund that can pay a sales load to either affiliated firm, the shares will be purchased at NAV (no sales load) if possible. If the commission is mandated by prospectus, thus unavoidable, the client's next quarterly fee will be credited by the amount of the sales load paid to D&R in both discretionary and non-discretionary accounts. Any consultation services for which D&R develops an investment plan for a client or fees attributable to an investment consultation meeting will be credited against any discretionary or non-discretionary investment advisory fees paid by the client.

Clients have the option to purchase investment products that D&R recommends through other brokers or agents that are not affiliated with D&R.

Item 6 Performance-Based Fees and Side-By-Side Management

DiBiase and Ruscetti Associates, Inc. does not manage accounts using a performance-based fee (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 Types of Clients

DiBiase & Ruscetti Associates provides investment advice and financial planning to individuals, high net worth individuals and families, trusts, estates, charitable organizations, pension plans, and corporations. For fee purposes, all client accounts under management can be aggregated into a single household account.

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

D&R subscribes to a number of independent research, analysis and information sources that it uses to help guide its investment recommendations to clients. D&R also uses economic data and opinions of Mesirow Financial, Inc. (our preferred custodial relationship) provided to us from our affiliated firm Harvest Financial Corporation and their clearing firm Mesirow Financial. This information is provided at no additional cost to clients. At times this third party research and other information will be passed on to clients of the firm at no additional cost.

The D&R investment process is founded on MPT (Modern Portfolio Theory) and the Efficient Frontier. A more detailed description of Modern Portfolio Theory and the Efficient Frontier methodology is included with D&R new client portfolios. The overall process incorporates client needs, resources, time horizon, risk tolerance and past experience with the design of an asset allocation that is dynamic in nature rather than static. However, this does not mean that we advocate short-term market timing. Active management of tactical allocations is made from time to time based on compelling market dislocations and/or longer-term economic trends.

While D&R believes that financial markets are efficient most of the time and that it is difficult, if not impossible, to “beat” the market, occasionally the market offers exceptional opportunities. On such occasions, allocations will be adjusted to capture a portion of the potential return from these opportunities.

DiBiase & Ruscetti Associates, Inc. utilizes computer software as an aid in measuring the level of risk and return in the client’s portfolio and provide guidelines to choosing more efficient asset mixes to achieve the individual client’s financial goals. As stated in Item 4, an Investment Policy Statement is prepared in conjunction with each client to achieve the client’s goals and objections.

Prior to entering into an agreement with D&R, you should carefully consider:

1. That investing in securities involves risk of loss that you should be prepared to bear;
2. That securities markets experience varying degrees of volatility;
3. That over time your assets may fluctuate and at anytime be worth more or less than the amount you invested; and
4. Committing to D&R’s management only those assets that you believe you will not need for current purposes and that can be invested on a long-term basis, usually a minimum of five to seven years.

Item 9 Disciplinary Information

We are required to disclose whether there are legal or disciplinary events that are material to a client’s or prospective client’s evaluation of our advisory business or the integrity of our management that has occur in the last ten (10) years.

As a supervisor at the affiliated firm Harvest Financial Corporation, Frank D. Ruscetti without admitting or denying the findings of the administrative proceeding consented to an offer of settlement with FINRA on 1/24/2003 for failure to supervise an employee who executed an unsuitable investment strategy. The settlement included a monetary fine of \$15,000, a 12-month suspension from a supervisory capacity with any broker dealer and a 3-month suspension from association with any broker dealer. The sanctions were completed on February 3, 2004. Due this action, despite the fact that the conduct did not occur in the state of Florida, the Florida Office of Financial Institution & Securities Regulation ordered an additional supervisory restriction on Mr. Ruscetti from 4/17/2003 until 3/31/2005 when Mr. Ruscetti could not supervise any Harvest business activity in the State of Florida.

There is no other material disciplinary information about DiBiase & Ruscetti, Inc. or any of its management personnel that we believe need to be disclosed.

Item 10 Other Financial Industry Activities and Affiliations

Richard DiBiase and Frank Ruscetti have owned and operated two complimentary companies: Harvest Financial Corporation (Harvest) and DiBiase & Ruscetti Associates, Inc (D&R). Harvest, a securities broker dealer has offered it clients transactional investment advice since 1982. Since 1992, DiBaise & Ruscetti Associates has been registered as an investment adviser and offered investment, financial planning, and consulting advice for a hourly or asset based fee. D&R also acts as an independent insurance agency for life, accident and health insurance. In an effort to help eliminate any confusion and add transparency, D&R want to make sure its clients understand the difference between the two companies. This is the brochure for DiBiase & Ruscetti Associates, Inc.

DiBiase & Ruscetti Associates, Inc and its registered associates may introduce clients to a third party investment advisor where compensation is received. An example of this would include fee sharing arrangement and/or finder's fees for hedge fund fund-of-funds.

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

Our Code of Ethics is set forth to advance our collective goal to maintain and enhance our fiduciary responsibility to our clients. D & R's Code of Ethics document is available in full to any client or prospective client upon request. The Code of Ethics document and D & R's Policies and Procedures Manual are our guidelines to the standard of business conduct that is expected of employees of our firm. Our code includes provisions relating to the confidentiality of client information, a prohibition on insider trading, and personal securities trading procedures, among other things. All supervised persons at D&R must acknowledge the terms of the Code of Ethics Annually. DiBiase & Ruscetti Associates, Inc. is dedicated to client service coupled with the compliance with applicable federal securities laws that drive this standard. The Chief Compliance Officer is primarily responsible for supervision

Our Registered Associates will:

- Maintain focus on our clients' objectives and our fiduciary obligations to those clients, as well as our obligations to maintain the privacy and confidentiality of our clients' personal and financial information.
- Keep abreast of developments in the field and strive to improve professional competence in all areas of investment advisory engaged.
- Offer advice only in areas of competence
- Comply with all federal and state securities laws.
- Report for review all personal securities transactions and holdings.
- Place client interests ahead of his or her own.

The overriding intent of DiBiase & Ruscetti Associates, Inc. is to set out standards for ethical conduct premised on fundamental principals of openness, integrity, honesty, and trust.

At times, employees of D&R may hold, buy, or sell positions in securities that we may also recommend to clients. However, at no time will D&R or any employee receive preferential treatment over clients. DiBiase & Ruscetti Associates, Inc. policy for personal trading allows associates to maintain personal securities accounts at Harvest Financial Corporation or at any other registered broker-dealer, provided any personal investing by an associate in any accounts in which the associate has a beneficial interest, including any accounts for any immediate family or household members, is consistent with the Firm's fiduciary duty to its clients and consistent with regulatory requirements. To address the conflicts of interest that can arise when investing in the same securities we require our registered associates to follow strict guidelines in regards to their accounts. When opening an account at a broker-dealer other than Harvest Financial, the associate is required to receive pre-approval of the account from D&R. D&R also requires associates to direct duplicate confirmations and statements of accounts away be sent to the Compliance Officer at Harvest Financial. The Compliance Officer at Harvest Financial will review copies of confirmations and statements of all associates' accounts, whether domiciled at Harvest or elsewhere, for propriety and compliance with firm and regulatory requirements.

Item 12 Brokerage Practices

As an investment advisory firm, D&R has a fiduciary duty to seek best execution for client transactions. While we do not mandate that clients use our affiliated Broker/Dealer Harvest Financial Corporation to effect transactions and its clearing broker/dealer, Mesirow Financial for custody, clients of the Firm who maintain accounts with Harvest Financial Corporation pay no commissions. Harvest charges D&R the cost of the trades placed monthly. None of this cost is passed on to our clients. Harvest Financial introduces all customer accounts to Mesirow Financial on a fully disclosed basis. This means that Mesirow Financial holds client assets. D&R through Harvest Financial relies on Mesirow Financial to assure that client orders in equity securities receive best execution. Harvest Financial Corporation assures that client orders in government bonds, municipal and corporate bonds receive best execution by contacting no fewer than three dealers for competitive bids on client's orders. Neither D & R nor Harvest Financial Corporation purchases or sell securities for their own accounts.

If a client does choose to use a different brokerage firm for transactions and custody they may have to pay commissions and other account charges that would otherwise be paid by DiBiase & Ruscetti Associates, Inc. D&R does not pass through any charges for execution at Harvest Financial Corporation. We would also require that duplicate statements and confirmations be sent to D&R so that we may monitor account activity for our clients.

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Item 13 Review of Accounts

The managing principal of D&R, presently Frank D. Ruscetti, or his supervisory designee, along with the clients Account Executive, will review clients' written quarterly account reviews to determine whether the portfolio is achieving the specific objectives of firm clients prior to the review being sent to the client. The written quarterly review of the account will include previous quarter end investment positions and account values as well as performance information for the account as a whole. In discretionary accounts, D&R will provide relevant index performance for comparison against portfolio performance.

D & R's frequency of review of the account with the client varies from advisor representative to advisor representative. The general guideline for reviews is, accounts over \$1,000,000 will be review quarterly; accounts between \$500,000 and \$1,000,000 will be review semi-annually, and accounts under \$500,000 will be reviewed annually. Other triggers for account review include, but are not limited to, major market events and client life changes like a new job, new child, and retirement. Based upon the results of the periodic review, investment changes will be made to carry out the client's objective in discretionary accounts, and recommended changes will be communicated to clients in non-discretionary accounts. DiBiase & Ruscetti Associates, Inc., if so directed by our client, may execute investment changes in non-discretionary accounts. In cases where assets are held elsewhere changes can be made directly by the client.

Item 14 Client Referrals and Other Compensation

DiBiase & Ruscetti Associates, Inc. may from time to time compensate directly or indirectly, advisers, financial intermediaries or other nonaffiliated persons for client referrals, in compliance with applicable laws. All solicitation agreements will comply with Rule 206(4)-3 under the Investment Advisers Act of 1940 and other laws as applicable. Potential conflicts of interest are supervised by the Chief Compliance Officer of DiBiase & Ruscetti Associates, Inc.

The affiliated broker/dealer, Harvest Financial Corporation, may from time to time receive 12b-1 fees from mutual funds held by clients of DiBiase & Ruscetti Associates, Inc.

Item 15 Custody

DiBiase & Ruscetti Associates, Inc. and its registered associates do not maintain custody of client funds or securities. For those clients that use Harvest Financial and Mesirow Financial for execution and custody respectively, D&R recommends that clients carefully review these statements and compare these official custodial records to the quarterly portfolio reviews that we provide. Our Portfolio review may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies or certain non-mutual fund securities.

Item 16 Investment Discretion

D&R does take investment discretionary authority over some client accounts when the advisor representative is acting as the investment manager. Clients are permitted to place limitations on the types of securities that can be purchased. These limitations need to be outlined in the written investment policy statement. When a client's personalized strategy uses a third party Manager Connect Account, the client grants discretion to the third party manager(s).

Item 17 Voting Client Securities

As a matter of firm policy and practice, DiBiase & Ruscetti Associates, Inc. does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. D&R may provide advice to clients regarding the clients voting of proxies when asked.

Item 18 Financial Information

This item requires RIAs who require the pre-payment of fees of more than \$1200.00 per client, six months or more in advance to disclose certain financial information. DiBiase & Ruscetti Associates, Inc., who does not require the pre-payment of any fees six month or more in advance, is not required to make such a disclosure.

D&R does not foresee any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.