

Part 2A of Form ADV: *Firm Brochure*

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03/15/2011

This brochure provides information about the qualifications and business practices of Chapman & Chapman Advisors LLC. If you have any questions about the contents of this brochure, please contact us at 440-287-7600 or gbc3@chapmanandchapmanadvisors.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.

Additional information about Chapman & Chapman Advisors LLC also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 122655.

Item 2 Material Changes

The SEC adopted "Amendments to Form ADV" in July, 2010. This Firm Brochure, dated 03/15/2011, is our new disclosure document prepared according to the SEC's new requirements and rules. As you will see, this document is a narrative that is substantially different in form and content, and includes some new information that we were not previously required to disclose.

After our initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

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Item 4 Advisory Business

Chapman & Chapman Advisors LLC is an SEC Registered Investment Adviser with its principal place of business located in Twinsburg, Ohio. We began conducting business in 2002. George B. Chapman III is the Managing Member and sole owner of the firm.

PORTFOLIO ADVISORY SERVICES

We develop a personal portfolio strategy for each client taking into consideration the current economic environment and the client's investment objectives, risk tolerance, time horizon, liquidity needs, tax considerations and other particular circumstances. The portfolio is monitored and from time to time we recommend changes as appropriate.

We manage all advisory accounts on a non-discretionary basis. Changes are only made when and if the client gives his or her approval. Clients may impose reasonable restrictions and / or preferences for investing in certain securities, types of securities, or industry sectors. The market value of all advisory accounts as of February 28, 2011 was \$64,689,304.

In general, our preferred investment strategy is to use passive-investment vehicles that track certain market sectors, as opposed to actively managed investments and individual stocks. Our typical portfolio is very diversified and primarily consists of exchange-traded index funds, exchange traded index notes and no-load institutional mutual funds. Equity style sectors include large cap, mid cap, small cap, emerging markets and Pacific Rim. On the bond side, we use treasury inflation protection securities, foreign bonds, emerging market bonds, and other "fixed" categories. Alternative market sectors include commodities and real estate. We do not engage in options, individual future contracts, private placements, leveraged funds, direct investment in real estate, derivatives, short selling or other specialty areas.

The exchange-traded index funds, exchange-traded index notes and no-load mutual funds are selected on the basis of any or all of the following criteria: the industry or country sector in which the fund invests; the fund's performance history; the track record of the fund's manager; the fund's investment objectives; the fund's management style and philosophy; and the fund's management fee and expense structure. Portfolio weighting between funds and market sectors are determined by each individual client's needs, risk tolerance and other personal circumstances.

We cannot guaranty future performance. Client accounts are subject to market, currency, interest rate, credit, economic, policital, environmental and business risks. Clients may experience a gain or loss.

All securities are held by the independent custodian which is Huntington Nartional Bank Trust Department, 917 Euclid Avenue, Cleveland, Ohio. The Trust Department charges a monthly custodian fee. The custodian fee is debited against each client's account. Our advisory fee is debited against the client account quarterly. Security transactions are conducted by Huntington Bank's institutional traders. Trading costs are at institutional rates and charged to the client accounts. We receive no compensation from trading activity; nor do we share in the Trust Department's custodian fee. Clients retain individual ownership of all securities.

The Huntington National Bank Trust Department mails a monthly statement to the client

showing all transactions including custodian and advisory fees, the total market value of the account and a detailed list of securities held. The client is permitted to view his or her holdings on the Trust Department's web site.

We prepare and send to each client a quarterly performance report showing:

1. the beginning and ending market value of the portfolio,
2. any contributions or withdrawals,
3. amount of the advisory fee and how it was calculated,
4. the amount of the investment gain or loss,
5. the net investment gain or loss as a percentage, and
6. the benchmark percentage return

We also include an historical report that analyzes the portfolio's performance year by year.

FINANCIAL PLANNING

Upon request we provide financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact the entire financial and life situation of the client. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.

- ESTATE: We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

Typically the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

Financial planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

Item 5 Fees and Compensation

PORTFOLIO ADVISORY FEES

The annual fee for portfolio advisory services is charged as a percentage of assets under advisement, according to the following schedule:

<u>Assets Under Advisement</u>	<u>Annual Fee (%)</u>
\$1 - \$500,000	1.40%
\$500,000 - \$1,000,000	1.30%
\$1,000,001 - \$2,000,000	1.20%
Over \$2,000,000	Negotiable

Our advisory fee is paid quarterly in advance. The quarterly fee percentage is 1/4th of the above annual fee. The fee is deducted from client accounts at the beginning of each calendar quarter based upon the market value of the client's account at the end of the previous quarter. If the client terminates his or her advisory contract before the end of the quarter, he or she shall receive a pro-rata refund based upon the number of days remaining in the billing period. The specific advisory fee is identified in our contract with the client.

The advisory fee is our sole source of compensation for our advisory activities. We receive no commissions, trails, sales charges, 12b-1 fees as a result of client security transactions.

We retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts,

circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition, reports, and other factors. We may group certain related client accounts to determine the annualized fee. Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

We may directly debit advisory fees from the client account held at Huntington National Bank Trust Department (the independent custodian) if the following conditions are met:

1. The client provides written authorization permitting the quarterly advisory fee to be paid directly from the client's account. This authorization will also specify the percentage that will be used to calculate the advisory fee.
2. We send a fee statement to the client and Huntington National Bank Trust Department. The client's fee statement will show the amount of the advisory fee and how it was calculated. The custodian's fee statement will only show the amount of the advisory fee.
3. We inform the client that it is the client's responsibility to verify the accuracy of the fee calculation and that the independent custodian will not determine whether the fee is properly calculated.
4. The independent custodian sends the client a statement, at least quarterly, indicating all amounts disbursed from the client account including the amount of the advisory fee paid directly to us.

Upon execution of an Agreement between us and the client, we will provide the Portfolio Advisory services mutually agreed upon.

FINANCIAL PLANNING FEES

Our financial planning fee is based upon the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Our Financial Planning fees are calculated and charged on a fixed fee basis, typically ranging from \$300 to \$500 per hour, depending on the specific arrangement reached with the client.

We may request a retainer upon completion of our initial fact-finding session with the client; however, advance payment will never exceed \$500 for work that will not be completed within six months. The balance is due upon completion of the plan.

The client is billed quarterly in arrears based on actual hours accrued.

GENERAL INFORMATION

A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, advisory fees are paid in advance of services provided. Upon termination of any account, any prepaid unearned fees will be promptly

refunded.

All fees paid to Chapman & Chapman Advisors LLC for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. We do not share in these fees, expenses or charges. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

In addition to our advisory fee, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

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

Chapman & Chapman Advisors LLC does not charge performance-based fees.

Item 7 Types of Clients

Chapman & Chapman Advisors LLC provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit sharing plans (other than plan participants)

- Corporations or other businesses not listed above

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

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Asset Allocation. Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

We look at the experience and track record of the manager of the mutual fund or exchange traded index fund in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or exchange traded index fund in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or exchange traded index funds in an attempt to determine if they are continuing to follow their stated investment strategy.

The criteria used by us to evaluate exchange traded index funds and no load mutual funds includes, but is not limited to: price earnings ratio, price book ratio, tracking error, fund inception date, manager tenure, standard deviation, Sharpe ratio, expense ratio, and category performance. Our main sources of information include commercially available investment research and ratings services (including on-line services), financial newspapers and periodicals, and information and analyses prepared by fund companies and other sources. We may participate in conference calls with analysts.

A risk of mutual fund and/or exchange traded index fund analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been

successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or exchange traded index fund, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or exchange traded index fund, which could make the holding(s) less suitable for the client's portfolio.

Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

We typically purchase securities with the idea of holding them in the client's account for the long term as defined by the client. We generally do not use short term trading strategies.

Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

Item 9 Disciplinary Information

We are required to disclose any 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.

Our firm and our management personnel have no reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

George B. Chapman III personally represents numerous life insurance companies and is engaged to sell their products. He is affiliated with One Resource Group, a wholesale life insurance agency located in Nashville, TN. and is also an officer of Chapman & Chapman, Inc., a financial services and insurance brokerage firm. Any life insurance or long term care product placed through George will generate standard and customary insurance commissions which will be paid to George. Approximately 20% of George's time is allocated to providing insurance services. Clients are free to effect insurance transactions with any insurance company or agent of their choice.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. We owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to

the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our Code also provides for oversight, enforcement and recordkeeping provisions.

Chapman & Chapman Advisors LLC's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to gbc3@chapmanandchapmanadvisors.com, or by calling us at 440-287-7600.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may materially benefit from the purchase or sale of any security prior to a transaction(s) being implemented for an advisory account.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may materially benefit from the purchase or sale of any security prior to a transaction(s) being implemented for an advisory account.
4. Our firm requires prior approval for any IPO or private placement investments by related

persons of the firm.

5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
6. We have established procedures for the maintenance of all required books and records.
7. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
8. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
9. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
10. Any individual who violates any of the above restrictions may be subject to termination.
11. Clients can decline to implement any advice rendered.

Item 12 Brokerage Practices

We do not have the discretionary authority to determine the broker or dealer to be used or the commission rates to be paid for client security trades. If consistent with our fiduciary duty, we will recommend that portfolio advisory accounts be custodied at Huntington National Bank Trust Department. We will not have authority to negotiate commissions among the various brokers or obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charges to other clients. Trading costs are at institutional rates and are charged directly to client accounts. We do not share in these commissions.

We will monitor from time to time the trading services arranged by Huntington National Bank Trust Department to assess the quality of services provided by the brokers chosen by the Bank for our client transactions. The Bank's determination of the reasonableness of brokerage costs, commissions and mark up/mark downs is based on the broker's ability to provide professional services, competitive execution and other services to our clients.

We reserve the right to decline acceptance of any portfolio advisory client account when the client chooses not to custody the account at Huntington National Bank Trust Department, if we believe such refusal would adversely affect our ability to effectively service the client portfolio.

Chapman & Chapman Advisors LLC does not have any soft-dollar arrangements and does

not receive any soft-dollar benefits.

Item 13 Review of Accounts

While the underlying securities within advisory accounts are continually monitored, the overall performance of each account is reviewed at least monthly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. These accounts are reviewed by George B. Chapman III, Managing Member. In addition to the monthly statements that clients receive from the independent custodian, we provide monthly and quarterly reports summarizing account performance, balances and holdings.

While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for. Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

Item 14 Client Referrals and Other Compensation

It is Chapman & Chapman Advisors LLC's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

Item 15 Custody

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account

transactions, holdings and values are correct and current.

Our firm does not have actual or constructive custody of client accounts.

Item 16 Investment Discretion

As previously disclosed in Item 4 of this brochure, our firm does not provide discretionary asset management services.

Item 17 Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We do not offer any consulting assistance regarding proxy issues to clients.

Item 18 Financial Information

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement. We have not been the subject of a bankruptcy petition at any time during the past ten years.