Part 2A of Form ADV: Firm *Brochure*

Item 1 Cover Page

A. Patrick John Mauro, President

Patrick Mauro Investment Advisor, Inc. (The firm)
38 Mockingbird Lane
Oak Brook, IL 60523-1749

Contact Information: Tel: 630-789-3374.
e-mail: pmauro4@comcast.net

web page: mauroinvestor.com

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B. This brochure provides information about the qualifications and business practices of Patrick Mauro Investment Advisor, Inc.. If you have any questions about the contents of this brochure, please contact us at 630-789-3374 or pmauro4@comcast.net. 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 Patrick Mauro Investment Advisor, Inc. is available on the SEC's website at www.adviserinfo.sec.gov.

C. Patrick Mauro Investment Advisor, Inc. is registered with the State of Illinois. This fact does not imply a certain level of skill or training.

Item 2 Material Changes

None pending

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Item 4 Advisory Business

A. Patrick Mauro Investment Advisor, Inc. was established in July, 1996. Patrick John Mauro is 100% owner.

B. This firm offers advise on publicly traded securities to include common and preferred stock, debt securities (Federal, state, local, foreign, and corporate), Master Limited Partnerships (to include assets covering commodities such as oil, timber, metals, etc.) Real Estate Investment Trusts, Exchange Traded Funds (all asset categories). Moreover the firm offers advise on listed options on any of the publicly traded securities just noted.

C. Each client is asked to provide a mandate for each account the client maintains with this firm making clear specific objectives the client has for each account under management. A client may restrict investments to only certain of the categories outlined in Item 4.B above.

D. This firm does not participate in any wrap fee program offered by any investment broker/dealer nor does it offer such service to any client or client of broker/dealers.

E. This firm manages assets only on a fully discretionary basis. Assets under management as of June 30, 2011 were $47,154,790.

Item 5 Fees and Compensation

A. This firm never charges more than 1% of assets under management per annum as a management fee. All fees are negotiable at the time an account is opened so as to possibly agree upon a lower rate. A fee may be re-negotiated at any time upon the request of the client. No assurance can be given that a lower fee will result from any client suggested renegotiation.

B. A client may choose to have the fee deducted from the account or be billed quarterly directly. The choice is the client's provided the broker/dealer acting as custodian of the assets under management allows a quarterly deduction.

C. Certain broker/dealers may charge a custodian fee charged annually. This firm does not share in any such fee. A client will be charged management fees from any mutual fund or ETF selected by the firm (see item 4.B.) and again, this firm does not share in any such fee. Moreover, most broker/dealer transactions made on behalf of the client are charged a commission at the time of such transaction. This firm does not share in any transactions fees charged by the broker/dealer involved.

D. This firm does not accept any management fees in advance of services rendered.

E. This firm does not accept compensation (nor do any of its representatives) for the sale of any security on behalf of any entity.

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

This firm nor any of its supervised persons accepts any performance-based fees. Those would-be fees are those that would be based on capital gains or capital appreciation of the client's assets under management.

Item 7 Types of *Clients*

This firm manages accounts of individuals (including their Individual Retirement Accounts, known as IRAs), pension and profit sharing plans, trusts, estates, charitable organizations, corporations or any kind of legal business entity such as a partnerships, LLC, LLP, etc.).

Other types of clients are guardians of persons and estates, custodians for individuals (including minors).

This firm has no minimum asset size required of the client before this firm engages in management activities.

This firm utilizes traditional methods of analysis. These would include fundamental analyses of various corporate entities.

Information on investments is found from a variety of sources. These sources include financial publications, news accounts of corporate activity, research material prepared by others (like Wall Street research departments), corporate rating services, timing services, Securities and Exchange filings (10K, annual reports, Form 4 insider transactions, etc.), and corporate press releases. We pay particular attention to news events and how corporate managements react to them.

This firm also employs technical analysis based on charting and also indicators of investor sentiment such as put/call ratios, volatility indexes, volume indicators, advance/decline ratios, etc.

This firm employs a "bottoms up" approach to investing. This means we analyze individual securities on their merits and end up looking at the overall investing environment like the national economy or political environment. This is opposed to the "top-down" approach to investing where one starts by looking at the global economy, national economy, political environment working on down to the individual investment choice.

Capital Preservation and Income

The Capital Preservation and Income strategy seeks to generate interest income while preserving the principal value of your investment. To do this, we create a “laddered” bond portfolio. By laddered, we mean the portfolio is divided into bond “rungs” with maturities beginning at one year, and then moving farther out in succeeding yearly intervals. The furthest rung out is a five year bond. The principle from each bond that matures is reinvested at the back end of the ladder (five years). Interest payments can either be distributed to you or reinvested into the ladder, based on your need for income from the account.

By laddering a bond portfolio, rather than investing exclusively in a single maturity, risk and reward are optimized. As mentioned above, bond rungs mature every year, and are then reinvested at the back end of the portfolio at the current market interest rate. Therefore, if interest rates and inflation go up, you have the opportunity to reinvest at the higher rate, thus maximizing your returns, and minimizing the risk of a decrease in the market value of your portfolio. A non-laddered portfolio, on the other hand, loses value and does not increase the amount of interest you receive if interest rates and inflation rise. If, conversely, interest rates decline, a laddered portfolio will continue to benefit from the higher interest rates locked in at the back end of the ladder.

This text is continued on continuation page 1

Item 9 Disciplinary Information

No one employed by this firm has ever been subject to any sort (material or otherwise) of disciplinary finding by any securities exchange or governmental regulatory agency.

Item 10 Other Financial Industry Activities and Affiliations

No employee of this firm (management or otherwise) is registered as a broker-dealer or has a pending application to do so. Moreover, the same applies to being a registered representative of a broker-dealer.

The same set of circumstances applies to commission merchants, commodity pool operators, commodity trading advisors or any one associated with such entities as stated in the above paragraph.

No employee of this firm (management or otherwise) has a current or pending relationship with a related person of any broker-dealer, investment company, other investment advisor or financial planner that would create a material conflict of interest with clients.
Moreover this applies to banks, accountants, lawyers, insurance companies and agencies, pension consultants, real estate broker-dealers and sponsors or syndicators of limited partnerships.

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

No employee of this firm recommends to clients, or buys or sells for client accounts, securities in which he has a material interest.

Employees of this firm are allowed to invest in the same securities recommended to clients.
All employees are required to always trade for clients first on any given day.
A conflict of interest is avoided by not buying or selling for the account of an employee until the client's order is consummated first.

Any time there is a buying or selling program whereby large numbers of clients are affected, the employee always is last in line.

Item 12 Brokerage Practices

A. If a client requests, then a recommendation of a broker-dealer is made primarily on low commission (transactions costs). If a client is primarily interested in bond transactions (because an account is primarily fixed income), then certain broker/dealer's depth of inventory and willingness to negotiate a lower cost of the bond transaction are also considered.

No research or other soft dollar benefits are received from any broker-dealer for recommending or directly order flow to any broker-dealer. It is the policy of this firm not to use client fees or commissions paid to broker-dealers by the client to generate any benefit to this firm.

B. This firm does not aggregate the purchase or sale of securities for various client accounts.

Item 13 Review of Accounts

A. All accounts are reviewed periodically. An account is reviewed at least on a monthly basis if not more frequently.

The reviews are carried out by the president of the firm as listed in item 1. Reviews are also carried out by an investment advisor representative who shares investment management duties with the president on a supervised team basis.

B. This firm always reviews accounts at least once per month without exception.

C. This firm provides written rate of return analysis on a quarterly basis. The rate of return analysis covers the most recent quarter and the trailing twelve months. These written reports are kept indefinitely on file in the home office of the firm.

Item 14 *Client* Referrals and Other Compensation

This firm pays no one except its own employees to garner new accounts. All employees of this firm are registered investment advisor representatives.

There are never any fees paid to anyone for a referral outside of the above employees described. There are no exceptions to this policy.

Item 15 *Custody*

This firm does not have custody of client assets. The custody of assets is in the hands of the broker-dealers who perform the securities transactions with the limited trading authorizations given by clients to this firm's president as listed in item 1.

However, a client may authorize the custodian to deduct advisory fees on a quarterly basis and forward those fees to this firm. A copy of the firm's invoice for advisory fees is always furnished to the client whether or not the custodian deducts fees and forwards them to this firm.

All custodians furnish the client with a monthly statement. All clients should carefully review those statements for full and accurate disclosure of all transactions and charges. If a client had authorized the deduction of advisory fees as outlined above, then those deductions will appear in detail on the monthly statement for the actual month those fees are paid to this firm.

Item 16 Investment Discretion

All clients of this firm must grant investment discretion to the president of this firm as listed in item 1. This firm does not accept accounts to be managed on a nondiscretionary basis.

A client is free to set aside any asset the client wishes that will not be subject to management or advisory fees.

All clients must sign a limited trading authorization (sometimes referred to as a limited power of attorney) that authorizes the broker-dealer to accept transaction orders from this firm's president. A copy of this authorisation is provided to the client, the broker-dealer, and this firm at the time of its execution. The president of this firm as outlined in item 1 is the signer of the authorization on behalf of the firm.

Item 17 Voting *Client* Securities

This firm does not accept authority to vote client securities.

Item 18 Financial Information

This firm provides a copy of its balance sheet annually to the State of Illinois Secretary of State, Securities Department. This statement is provided no later than 45 days subsequent to the end of the firm's fiscal year which currently ends each December 31.

This balance sheet is prepared by a CPA with generally accepted accounting principles applied.

This balance sheet is provided as described above because of the deduction of advisory fees described in item 15.

Item 19 Requirements for State-Registered Advisers

A. Patrick John Mauro (see item 1) is the principal executive officer and management person of this firm. Patrick Mauro was awarded a Bachelor of Finance degree from the University of Illinois (Chicago) in June 1968.

After receiving a BS in Finance from the University of Illinois (Chicago), Patrick Mauro began his career as a stock broker for Merrill Lynch in 1968. In 1975, he purchased a membership on the Chicago Board Options Exchange (CBOE) and become an independent option market maker/floor trader for seven years. In 1982, he moved to the Midwest Stock Exchange and ran a trading floor operation for six years. In 1988, he joined the investment firm of Dean Witter where he managed accounts on a fully discretionary basis. In 1995, Patrick Mauro became a portfolio manager with a hedge fund, and then established his own firm, Patrick Mauro Investment Advisor, Inc. in July 1996.

B. Patrick Mauro does not engage in any business other than his role as president of this firm.

C. No one associated with this firm accepts fees based upon asset performance.

D. No one associated with this firm has been found liable in any arbitration claim alleging damages.

E. Patrick Mauro nor any employee has a relationship with any issuer of securities.

The text below is continued from item 8:

We generally use insured certificates of deposit (CDs,) US government obligations, and investment grade corporate credits to construct laddered bond portfolios for retirement accounts like IRAs or pension accounts, while utilizing investment grade municipal bonds in non-tax advantaged accounts to maximize after tax returns. We do independent research on the bond issuer to gain maximum confidence that they have adequate cash flow and marketable assets to insure payment of the interest and principal of the bond.

The above strategy still involves risk of loss that a client must be willing to bear. Just as one example, a corporate bond held in one of the rungs might suffer deteriorating credit quality thus making it necessary to sell the bond at a loss and replace it with a more credit worthy bond.

Growth and Income

The Growth and Income strategy seeks to maximize the growth in principal value of your account by a focus on growing the income stream that it generates. This is accomplished primarily by investing in the shares of dividend paying operating companies, master limited partnerships (MLPs), and real estate investment trusts (REITs). Additionally, we utilize commodity exchange traded funds as a hedge against inflation and instability. Longer-term bonds may be used as well, if offering equity like returns. Investors utilizing the growth and income strategy must be willing to accept a moderate level of short-term volatility in the principal value of their portfolio. By blending Growth and Income with the Capital Preservation and Income strategy, risk and reward can be optimized to meet the specific objectives and risk tolerance of the client.

In order to achieve the strategy's objectives, we take a principles based approach to equity investing. The principles that guide our investment philosophy are: 1) Quality, 2) Value, 3) Diversification, and 4) Patience.

Quality. We define a quality stock to be one that pays and grows its dividend, while not taking excessive risks with its balance sheet. The payment and growth of the dividend demonstrates both the financial and operational strength of the company, and the importance the company's management puts on sharing the success of the business with its shareholders. Companies that pay and grow dividends are proven to be much more judicious in the allocation of capital, and therefore enjoy above market rates of return in the long-term. As the credit bust of 2008 demonstrated, companies with highly levered balance sheets that take on significant credit risks are a recipe for disaster. We stay away from such situations at all times. (Please go to cont. p 2.)

Value. While it is essential to invest in quality, everything has its price. We only purchase a stock if we believe that it is trading at a discount to our estimate of its fundamental value. We typically use the dividend yield of a stock to estimate valuation in keeping with our income oriented approach. We commonly target a 4% dividend for investing in operating companies, while screening for a yield in the vicinity of 8% for MLPs and REITs. As with paying and growing dividends, research has shown that cheaper shares enjoy market beating returns in the long-run.

Diversification. It is often said that diversification is the one free lunch in investing, and we wholeheartedly agree. In order to minimize the risk to your portfolio, we spread your investment over a number of individual companies and industries, avoiding the vulnerability inherent in over-concentration. Ideally, we invest no more than ten percent in any individual stock and twenty percent in any single economic sector such as utilities, healthcare, or technology. With proper diversification, significant adverse events to an individual company or sector cannot compromise the overall integrity of the portfolio, as was the case with people who put all their money in Enron or dot com stocks.

Patience. When we make an investment, it is for the long-term, and we give it the time needed to work so long as we continue to have faith in the company. If we ever lose faith in a company, we liquidate the position immediately. Otherwise, we will gladly continue to accumulate shares if valuations remain attractive. If a position appreciates above the diversification guidelines described above, we may sell a portion of it to bring it back within desired limits. By and large, however, we avoid wholesale changes in investments and overall investment posture. This avoids transaction costs and tax liabilities that detract from portfolio performance. Research has shown that investment funds with low investment turnover tend to enjoy the highest returns.

By adhering to these principles at all times, we are able to maximize the long-term growth in our customers' capital and their income generating power. While short-term volatility is inherent in any equity investment, our income/quality/value-centered approach greatly reduces the long-term risk to your investment portfolio by avoiding the pitfalls that have historically led investors to lose significant amounts of money in the stock market: buying low quality companies at any price, paying too much for good ones, over-concentrating investments in individual companies and sectors, and constantly churning their accounts.

(please go to cont. p. 3)

Investing in securities involves risk of loss that clients should be prepared to bear. In prolonged market declines (e.g.... in late 2007 until March 2009) the above strategies would tend to limit losses, but losses can still be experienced. There are no guarantees of success with the implementations of these strategies.

These strategies are long term in nature, so any short to intermediate declines in asset prices and markets can cause loss to the client.