

March 31, 2011

**WEISS CAPITAL MANAGEMENT
CLIENT BROCHURE
(PART II OF FORM ADV)**

Name of Investment Advisor: Weiss Capital Management, Inc.
Business Address: P.O. Box 1128
Concord, MA 01742
Phone: 978-505-5435
E-mail address: jweiss6@earthlink.net

Material Changes since last client brochure:

Under new SEC rules and regulations, the Company is required to provide a newly formatted brochure to clients. There are no material changes to the information last provided by the Company but please be sure to read this entire brochure to ensure that you understand the services provided by the Company. Please also feel free to contact us if you have any questions about our business or anything disclosed in this brochure.

Disclosure:

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

Weiss Capital Management, Inc. may sometimes refer to itself as a “registered investment advisor” or otherwise as “registered”. In each case, this means that the Company has registered with the SEC but “registration” does not imply a certain level of skill or training.

TABLE OF CONTENTS

Material Changes	1
Advisory Business	3
Fees and Compensation	3
Performance-Based Fees & Side-By-Side Management	5
Types of Clients	5
Methods of Analysis, Investment Strategies & Risk of Loss	5
Disciplinary Information	8
Other Financial Industry Activities and Affiliations	8
Code of Ethics, Participation in Client Transactions and Personal Trading	8
Brokerage Practices	9
Review of Accounts	12
Client Referrals and Other Compensation	12
Custody	13
Investment Discretion	13
Voting Client Securities	13
Financial Information	13

Advisory Business

a) Description of Company.

Weiss Capital Management, Inc., which we sometimes refer to in this document as the “Company” or “we”, was incorporated on September 10, 2002. The Company is 100% owned by James M. Weiss. Mr. Weiss is the only employee of the Company and is solely responsible for all aspects of the Company’s business including the investment management services it provides and its compliance with regulations governing investment advisors and investment advisor firms.

b) Description of Advisory Services. We generally offer only discretionary investment advisory services to clients. We have one non-discretionary client account at this time.

Our services consist of investment management services to relatively financially substantial clients. Our clients are primarily high net worth individuals, employee benefit plans and institutional accounts.

We provide our investment services to client portfolios under a variety of investment styles as described in the section below entitled “Methods of Analysis and Investment Strategies and Risk of Loss” (see page 5).

c) Tailored Advice for Clients. Each client’s investment portfolio is tailored to such client’s investment needs including investment objectives, tolerance for risk and time horizon as well as other needs specifically identified by clients. Clients may impose restrictions on investing in certain securities or types of securities by including restrictions in the investment management agreement we each sign at the beginning of the client relationship. Client may also impose investment restrictions by sending us written instructions at any time. In addition, the Company is bound with respect to employee benefit plan accounts by the various restrictions found in ERISA and with respect to registered investment companies, if any, by various restrictions contained in their governing instruments and in the Investment Advisers Act of 1940 and related rules and regulations. Outside of such restrictions and with the exception of the one non-discretionary client account, the Company exercises full discretion over the investment management of its clients’ portfolio.

d) Assets Under Management (Discretionary vs. Non-Discretionary). As of March 18, 2011, the Company manages \$44, 943,413 of assets on behalf of its clients. The Company has discretionary authority over 33 client accounts with a total approximate value of \$43,943,413. The Company has 1 non-discretionary account valued at approximately \$1,000,000 as of March 18, 2011.

Fees and Compensation

a) How the Company is Compensated. While it is the general policy of the Company to charge its fees based a client’s assets under management, fees may

be subject to negotiation or may be adjusted in situations where clients have assets managed by the Company under more than one investment style, where performance-based fees are agreed upon, where reduced or increased services are provided, and where other special circumstances or services exist. The Company uses a direct relationship fee arrangement where clients generally pay an asset-based fee that covers investment management, advisory and asset allocation services and related activities such as meetings and communications.

b) Fee Table: For all client accounts, the Company's fees for its services are calculated as follows:

- 1.10% on assets up to and including \$5,000,000 of account market value.
- Account market values in excess of \$5,000,000 have negotiated breakpoints for the amounts in excess of \$5,000,000.
- Minimum annual fee: \$11,000.

c) How Client Fees are Paid to the Company. Our agreements with clients authorize us to deduct fees directly from client assets. However, only a client's custodian, broker-dealer or bank that holds and maintains the client's assets has access to such assets. We do not take custody of client assets. The client's custodian, broker-dealer or bank is advised of the amount of the fee to be deducted from a client's account. On at least a quarterly basis, the client's custodian, broker-dealer or bank is required to send to the client an official statement showing all transactions within the account during the reporting period, including our fee that has been deducted from the client's account.

Importantly, the client's custodian, broker-dealer or bank may not calculate or verify the fee to be deducted. It is important for clients to carefully review the custodian's official account statement to verify the accuracy of the calculation as well as the other information contained in the statement. Please contact us or your custodian directly if you have any questions or concerns regarding your account statement.

d) Other Client Fees or Expenses. Client accounts shall bear all reasonable and customary expenses, including legal fees, incurred in connection with (i) the acquisition of securities for the account, (ii) the disposition of securities for the account, (iii) the Company's exercise of its discretionary authority with respect to the securities held in the account, and (iii) the valuation of securities in the account. These costs may include custodian fees, mutual fund expenses and other account activity fees such as bank wires, transfer of asset fees or similar transactional costs. In addition, clients will incur brokerage and other transaction costs. Please see the section entitled "Brokerage Practices" on page 9 of this brochure which further discusses brokerage arrangements.

e) Payment in Advance; Refunds. The Company does not encourage nor has it accepted payment of fees in advance.

- f) Compensation to the Company for Sales of Securities or Other Investment Products. Neither the Company nor any employee of the Company receives any compensation for sales of securities or any other type of investment product to clients.

Performance-Based Fees and Side-by-Side Management

The Company is required to disclose if it or any of its supervised persons accept performance-based fees. These are fees that can include a share of capital gains or capital appreciation on a client's assets. At present, the Company does not accept performance-based fees.

Types of Clients

- a) Types of Clients. The Company generally provides investment management services to relatively substantial clients, consisting primarily of high net worth and other individuals. It also provides these services to employee benefit plans and institutional accounts.
- b) Requirements for Opening or Maintaining an Account. The Company generally requires a minimum investment portfolio of \$1,000,000 to open and maintain an account. The Company may waive the minimum investment portfolio amount requirement in its sole discretion on a case-by-case basis.

Methods of Analysis, Investment Strategies and Risk of Loss

- a) Risk of Loss. Clients and prospective clients should be aware that investing in securities involves risk of loss of their money. Each client should be prepared to bear this risk of loss when investing in securities. Although the Company's methods of analysis and investing strategies are intended to benefit its clients, the risk of loss remains.
- b) Description of Methods of Analysis and Investment Strategies Used by the Company. The Company uses a variety of methods and approaches for selecting securities depending on the nature of a particular account, the needs of the client, the client's investment objectives, risk tolerance, time horizons as well as general economic and market conditions.

All securities analysis has risk. This type of analysis may require assumptions about the value, accuracy, truthfulness and unbiased nature of the information available. It may require reliance on other analysis such as that provided by rating agencies or third parties that have apparent expertise and good past performance. As with all securities investing, past performance does not guarantee similar results in the future.

1) *Asset Allocation.*

- i. Use of Asset Allocation. The Company primarily attempts to identify an appropriate ratio of equities, fixed income and cash suitable to the client's investment goals, risk tolerance and time horizon.
- ii. Risk of Asset Allocation. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Similarly, a client could be exposed to stocks or bonds when one or both of those categories of securities experience falling prices. 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.

2) *Mutual Fund and Exchange Traded Funds Analysis.*

- i. Use of Mutual Funds and Exchange Traded Funds. If we invest your money with a mutual fund or an exchange traded fund (or, "ETF"), we will analyze the experience and track record of the portfolio manager. We try to determine whether the manager has performed well over time and under different economic conditions. We also periodically review the securities in the mutual fund's or ETF's portfolio to determine whether overlaps with other investments conflict with the client's investment objectives.
- ii. Risk of Mutual Funds and Exchange Traded Funds. Analyzing a mutual fund or an ETF as an appropriate investment vehicle carries the risk that we pick a mutual fund because of its track record and past performance. But, as with all types of securities investing, past performance does not guarantee similar results in the future. Also, we do not control the investment choices of a mutual fund that we choose for clients. So, a mutual fund portfolio manager could fail to adhere to his/her stated investment objective and invest in securities that conflict with a client's investment objectives.

3) *Fundamentals Analysis.*

- i. Use of Fundamentals Analysis. If we select individual securities for your investment portfolio, we may use fundamentals analysis. This involves attempting to understand the economic, business, and financial factors that impact the value of a security. These factors include the reviewing the overall economy, the industry conditions and the financial condition and management of the

company itself. The purpose of this type analysis is to determine if the security is underpriced (indicating a possibly good time to buy) or overpriced (indicating a possibly good time to sell).

- ii. Risks of Fundamentals Analysis. One risk associated with fundamentals analysis is the possibility of missing market movements. The price of a security can move up or down along with the overall market regardless of the economic, business, and financial factors that we consider when evaluating a company's security. Another risk associated with this type of analysis is the lack of availability of sufficient material and public information. This analysis can also be of limited value if sufficient and material information regarding the company's operations or value is not available or if the information made publicly available turns out to be false or inaccurate.

4) *Third Party Sources of Analysis.*

- i. Use of Third Party Analysis. If we select individual securities for your investment portfolio, Mr. Weiss, our Chief Investment Officer and portfolio manager, in addition to his own analysis and research, utilizes a variety of information from outside sources, including brokerage firms, research organizations, consultants and industry contacts. For all of these sources, Mr. Weiss examines the experience, expertise, investment philosophies and past performance in an attempt to determine if such outside source has demonstrated an ability to invest well over a period of time and in different economic conditions.
- ii. Risks of Third Party Analysis. There is always the risk that a third party source which has provided helpful analysis and information in the past may not be able to continue to do so in the future.

5) *Technical Analysis.*

- i. Use of Technical Analysis. If we select individual securities for your investment portfolio, we may also analyze how the markets move with respect to a particular security. We try to use the market's movements or overall investor sentiment to give us an ability to predict how a security's price will move in the future. Technical analysis is not our preferred method of analysis however and we make limited use of it.
- ii. Risks of Technical Analysis. Although we do not use technical analysis alone and use it on a limited basis only, technical analysis involves predictions of future market movements and does not take

into consideration the fundamentals of a company or bond issuing entity, including its financial condition. There is a risk that our prediction of future overall market movements could be wrong.

Disciplinary Information

We do not have any disciplinary events to report. We are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management.

Other Financial Industry Activities and Affiliations

- a) Relationships and Arrangements Material to Our Business. We only have one relationship or arrangement that is material to our advisory business. We entered into an administrative services agreement on January 1, 2003 with a company called Segall, Bryant & Hamill, which we refer to as “SBH”. Under that agreement, SBH provides certain administrative and back office services that support securities trading and client account maintenance, including record keeping, trade execution, trade confirmation trade settlement, and performance measurement. SBH also assists with our periodic reports to clients summarizing account performance, balance and holdings. These reports are not official custodial statements and clients are urged to review the official custodial statements they receive from their custodian, broker-dealer or bank that holds their assets. SBH also facilitates payment of our fees from client accounts by preparing and sending an invoice of client fees to the client or the client’s custodian in which case the client would also receive a copy. We do not consider our arrangement with SBH to create any material conflicts of interest with respect to our client’s accounts.

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

- a) Description of the Company’s Code of Ethics. We adopted a Code of Ethics that describes the Company’s ethical culture and standards of conduct. The purpose of the Code of Ethics is to (i) establish standards of conduct, (ii) ensure compliance with the Investment Advisers Act of 1940 and other applicable federal securities laws and regulations and (iii) provide for the safeguarding of material nonpublic client account information. Our employees are required to avoid activities, interests and relationships that might interfere with making decisions in the best interests of client accounts. The Code of Ethics also controls employee trading in stocks owned by clients or being recommended for purchase by clients. We will provide a copy of our Code of Ethics to any client or prospective client upon request.
- b) Company’s Participation or Interest in Certain Client Transactions. Mr. Weiss may own, in his personal account, the same publicly traded securities that are bought and sold for client accounts. Mr. Weiss may also make investments in the

same partnerships or hedge funds in which clients have elected to make investments. To avoid conflicts of interests and to make sure that investment decisions are made in the best interests of clients, the Company's policy is not to purchase or sell securities on behalf of clients on the basis of any position or interest that employees of the Company may have in such securities or otherwise take inappropriate advantage of client positions. Mr. Weiss, as the only employee of the Company, is in a position to have full knowledge and control over this aspect of the business.

- c) Client Transactions with other Clients. The Company may also periodically make investment decisions for two clients to enter into a transaction between each other. Such transactions would be made in accordance with applicable regulatory provisions or policies. In such instances, the Company does not receive any brokerage compensation or other remuneration.

Brokerage Practices

- a) Best Execution and Soft Dollar Policies. The Company's fundamental policy is to seek for its clients what in its judgment will be the best overall execution of purchase or sale orders and the most favorable net prices in securities transactions consistent with its judgment as to the business qualifications of the various broker or dealer firms with whom the Company may do business. The Company may not necessarily choose the broker offering the lowest available commission rate. Decisions with respect to the market where the transaction is to be completed, to the form of transaction (whether principal or agency), and to the allocation of orders among brokers or dealers are made in accordance with this policy. In selecting brokers or dealers to effect portfolio transactions, consideration is given to their proven integrity and financial responsibility, their demonstrated execution experience and capabilities both generally and with respect to particular markets or securities, the competitiveness of their commission rates in agency transactions (and their net prices in principal transactions), their willingness to commit capital, and their clearance and settlement capability. The Company seeks to keep informed of commission rate structures and prevalent buy vs. sell spread characteristics of the markets and securities in which transactions for its clients occur. Against this background, the Company evaluates the reasonableness of a commission or a net price with respect to a particular transaction by considering such factors as difficulty of execution or security positioning by the executing firm. The Company may or may not solicit competitive bids based on its judgment of the expected benefit or harm to the execution process for that transaction. SBH assists us in making these evaluations and decisions.

When it appears that a number of firms could satisfy the required standards in respect of a particular transaction, consideration may also be given to services other than execution services which certain of such firms have provided in the past or may provide in the future. Negotiated commission rates and prices, however, are based upon the Company's judgment of the rate, which reflects the

execution requirements of the transaction without regard to whether the broker provides services in addition to execution. Among such other services the Company has used in the past include the supplying of supplemental investment research; general economic, political and business information; analytical and statistical data; relevant market information; reports and information about specific companies, industries and securities; purchase and sale recommendations for stocks and bonds; portfolio strategy services; historical statistical information; market data services providing information on specific issues and prices; financial publications; proxy voting data and analysis services; technical analysis of various aspects of the securities markets, including technical charts; computer software and databases (including those contained in certain trading systems and used for portfolio analysis and modeling, and also including software providing investment personnel with efficient access to current and historical data from a variety of internal and external sources); portfolio evaluation services; and data relating to the relative performance of accounts.

Certain of the non-execution services provided by broker-dealers may in turn be obtained by the broker-dealers from third parties who are paid for such services by the broker-dealers. The Company regularly reviews and evaluates the services furnished by broker-dealers. The Company evaluates the quality of the research and other services provided by various broker-dealer firms and uses this information as a consideration in the selection of brokers.

Some services furnished by broker-dealers may be used for research and investment decision-making purposes, and also for marketing or administrative purposes. The Company may have an incentive to select or recommend a broker-dealer based on the Company's interest in receiving the research or other products or services, rather than a client's interest in receiving most favorable execution. The Company reviews the cost of the services to determine the portion which is allocable to research or investment decision-making and the portion allocable to other purposes. Some research and execution services may benefit the Company's clients as a whole, while others may benefit a specific segment of clients. Not all such services will necessarily be used exclusively in connection with the accounts which pay the commissions to the broker-dealer providing the services. The Company does not formally seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate. When the Company uses client brokerage commissions (or markups or markdowns) to obtain research or other products or services, the Company receives a benefit because it does not have to produce or pay for the research, products or services. The Company may pay directly from its own funds for the portion of the commission that is allocable to uses other than research or investment decision-making.

The Company has no fixed agreements or understandings with any broker-dealer as to the amount of brokerage business which that firm may expect to receive for services supplied to the Company or otherwise. There may be, however,

understandings with certain firms that in order for such firms to be able to continuously supply certain services, they need to receive an allocation of a specified amount of brokerage business. These understandings are honored to the extent possible in accordance with the policies set forth above.

- b) Directed Brokerage. In some instances, certain of the Company's clients request the Company to place all or part of the orders for their account with certain brokers or dealers, which in some cases provide services to those clients. Where a client wishes to direct brokerage, it is required that the client do so in writing. The Company generally agrees to honor these requests to the extent practicable. Clients may request that the Company only effect transactions with the specified broker-dealers if the broker-dealers are competitive as to price and execution. Where the request is so conditioned, the Company may be unable to negotiate commissions or obtain volume discounts or best execution. This may cost the client more money. In cases where a client requests the Company to use a particular broker-dealer, the client may be charged a different commission than other clients. A client who requests the use of a particular broker-dealer should understand that it may lose the possible advantage which non-requesting clients derive from aggregation of orders for several clients as a single transaction for the purchase or sale of a particular security. Among other reasons why best execution may not be achieved with directed brokerage is that, in an effort to achieve orderly execution of transactions, execution of orders that have designated particular brokers may, at the discretion of the trading desk, be delayed until execution of other non-designated orders has been completed.
- c) Aggregating the Purchase or Sale of Client Securities. When the Company is seeking to buy or sell the same security on behalf of more than one client at approximately the same time, the Company may also follow the practice of grouping orders of various clients for execution to get the benefit of lower prices or commission rates. Although sharing in large transactions may sometimes affect price or volume of shares acquired or sold, the Company believes that grouping orders can generally provide an advantage in execution. Where an aggregate order is executed in a series of transactions at various prices on a given day, each participating account's proportionate share of such order will reflect the average price paid or received with respect to the total order. The Company may decide not to group orders, however, based on such factors as the size of the account and the size of the trade. For example, the Company may not aggregate trades where it believes that it is in the best interests of clients not to do so, including situations where aggregation might result in a large number of small transactions with consequent increased custodial and other transactional costs which may disproportionately impact smaller accounts. Such disaggregation, depending on the circumstances, may or may not result in such accounts receiving more or less favorable overall execution (including transaction costs) relative to other clients.
- d) Trade Allocation Policies. When the Company is seeking to buy or sell the same security on behalf of more than one client, the Company will use its reasonable

best efforts to carry out the sale or purchase in a manner which is considered fair and equitable to all accounts. In allocating investments among various clients (including in what sequence orders for trades are placed), the Company will use its best business judgment and may take into account such factors as investment objectives of the clients, the amount of investment funds available to each, the size of the order, the relative sizes of the accounts, the amount already committed for each client to a specific investment and the relative risks of the investments, all in order to seek a fair and equitable result to each client over time. In addition, the Company does not generally, but is not prohibited from, short selling.

The Company also uses its reasonable best efforts to allocate initial public offerings (IPO's) among client accounts in a manner which is considered fair and equitable. Shares of IPO's are allocated among participating accounts based on the relative sizes of the accounts and the market capitalization and style parameters within which they are managed.

Review of Accounts

- a) Periodic Review of Client Accounts. Mr. Weiss, as Chief Investment Officer and portfolio manager, periodically reviews each client's account. The frequency of the review may vary depending on circumstances but accounts are reviewed at least quarterly. Reviews are conducted to ensure proper asset allocation in light of a client's investment objectives, risk tolerance and time horizon. Reviews may also be triggered by a variety of factors, including changing market conditions, client inquiry, and investment decisions made by Mr. Weiss.
- b) Reports to Clients. Clients receive reports/statements directly from their broker-dealer, bank or other qualified custodian on a monthly or quarterly basis depending on the custodian or, more frequently based on the client's instructions. In addition, Mr. Weiss issues a quarterly market report to clients that is not specific to client accounts but describes his evaluation of recent market performance and his views of economic and market conditions. Any report issued by the Company regarding a client account should not be considered an official client statement. Clients are urged to review the official custodial statement they receive from their custodian and compare it to any report received from the Company.

Client Referrals and Other Compensation

The Company has an agreement to compensate a brokerage firm for client referrals. The clients who have been referred under this arrangement have been notified of the details of the arrangement. Any future client who is referred under this arrangement will also receive such notification and disclosure. Under the agreement, the Company pays to the brokerage firm a fee equal to a percentage of the Company's annual management fee and all brokerage commissions related to any such referred account. The Company pays this fee out of its own funds. Any fees paid by a referred account to the Company are not

increased or otherwise affected by this arrangement. Other than this compensation arrangement, the Company has no relationship or affiliation with this brokerage firm.

Custody

We do not take custody of client assets. Client assets are held by a client's broker-dealer, bank or other qualified custodian. The client selects his or her broker-dealer, bank or other qualified custodian. Clients will receive account statements from their broker-dealer, bank or other qualified custodian quarterly, or more frequently. Clients should review their account statements carefully. Clients may also receive account reports from us. We urge you to compare the account statement you receive from us with the account statement you receive from your qualified custodian.

Investment Discretion

The Company accepts and exercises discretionary authority over 33 client accounts. The Company has 1 non-discretionary account. Our discretionary authority is granted to us based on our written investment management agreements with clients. Customarily, the Company's discretionary authority over assets in a client's account means that the Company has full power and authority to make purchases and sales of securities or other property in an account without contacting the client or receiving the client's permission prior to taking such actions.

Our discretion over client accounts is always limited by, or must be consistent with, the written investment management agreement we have entered into with a client. Even after the investment agreement has been signed, a client may limit our discretionary authority by issuing written instructions to us at any time.

Voting Client Securities

We do not have nor accept authority to vote client securities.

Financial Information

Registered investment advisors are required to provide you with certain financial information or disclosures about their financial condition. The Company has no financial commitment that impairs its ability to meet its contractual or fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding. In addition, the Company does not require or solicit payment of fees in advance of services rendered.