



Moseley Investment Management, Inc.

Disclosure Brochure

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January 1, 2011

This Brochure provides information about the qualifications and business practices of Moseley Investment Management, Inc. If you have any questions about the contents of this Brochure, please contact us at 941-745-2799. 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 Moseley Investment Management and our advisory team is available via the SEC's website at www.adviserinfo.sec.gov or on our company website at www.moseleyinvestment.com.

Item 2 - Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. The amendments are designed to require a registered investment adviser to provide clients with clearly written and meaningful disclosure, in plain English, about the adviser’s business practices, conflicts of interest and advisory personnel. This Brochure dated January 01, 2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes.

Currently, our Brochure may be requested by contacting Dina Malizia at 941-745-2799 or at dmalizia@moseleyinvestment.com.

As of our last brochure dated March 10, 2011 we had the following material changes:

1. Fees and Compensation

As of January 1, 2011 Moseley Investment Management fee increased to .32375% per quarter.

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Item 4a – About Moseley Investment Management

Our Firms History-Moseley Investment Management (“we”), an independent investment advisory and financial planning firm, was founded in 1990 by Susan Moseley. The firm was established based upon the premise of providing clients with independent financial wisdom in an environment free from conflict-in-interest.

We are registered as an Investment Adviser with the Securities and Exchange Commission (“SEC”), SEC File No. 801-68983, in order to offer investment advisory products and services to our advisory clients.

Our Principals- Susan Moseley, CIMA serves as the Principal/Owner of Moseley Investment Management.

Our Investment Committee- Our Investment Committee establishes the overall investment strategies employed by the firm and reviews the overall investments. The Investment Committee members include: Susan Moseley, CIMA, Kenneth Hargreaves and Tom Miller.

Assets under Management- As of February 9, 2011 we manage approximately \$39,000,000.00 of assets on a non-discretionary basis and approximately 6,000,000.00 of assets on a discretionary basis.

Item 4b- Advisory Business

We provide individuals, families and business with a multitude of services including estate planning, retirement accumulation, financial planning, asset management and overall wealth management.

The initial meeting involves a complete review of the clients’ current financial situation for the purpose of defining the scope of the engagement. Once defined, we will enter into an Investment Advisory Agreement with you who will disclose the terms and the fees to be charged. To the extent other services are needed, we will assist you in those areas in which it is competent to advise.

As a follow up, we will also help you coordinate the implementation of any recommendations made, including referral to other practicing professionals whose services may be required.

Investment Advisory Account Management - We will provide account management to those of you that have granted us full discretionary to determine the securities to be bought or sold and the amount of securities to be bought or sold. The model that you will be put into will be based on clients’ objectives, risk tolerance, time horizon and goals. The primary investments in the models are Exchange Traded Funds (ETF) with a 10% stop loss on the position. Stop losses are adjusted as the market moves up. The Investment Committee meets every two weeks to review investments and decide if any new positions should be added or if something needs to be sold. Block trades will be completed and then allocated to individual accounts. The custodian (Schwab) or TD Ameritrade will send out confirmations and monthly statements of activity on all transactions. For those of you that have not entered into one of our models we will manage your portfolio on an individual basis and meet with you quarterly to determine the investments in your account.

Wealth Management Services – We incorporate investment portfolio management with financial planning to high net worth clients. Each client is reviewed based upon their unique circumstances and needs. Such wealth management services provides advice based on the clients’ overall financial

evaluation which includes, risk management counsel, financial planning, tax planning, estate planning, cash flow planning, retirement planning, business succession and college planning.

Financial Planning Services - We provide a variety of financial planning services to you regarding the management of your financial resources, based upon an analysis of your needs. Generally, such financial planning services will involve preparing a financial program for you based on your financial circumstances and objectives. This information typically covers present and anticipated assets and liabilities, including insurance, savings, investments and anticipated retirement or other employee benefits.

Our financial planning typically includes general recommendations for a course of activity or specific actions that you should take. For example, recommendations may be made that you obtain insurance or revise existing coverage, establish an individual retirement account, increase or decrease funds held in savings accounts or to invest funds in certain securities.

Other financial planning services that we may provide include ongoing financial counseling, account review, securities research and other advisory services related to investments.

When you receive financial planning services you may also purchase securities or insurance products offered through Royal Alliance pursuant to the plan or consultation. Members of our Firm may receive commissions as Registered Representatives of Royal Alliance or insurance agents in connection with such transactions. Thus, we may have a conflict of interest when providing financial planning services to you as there may be an incentive for us to recommend specific courses of action through our financial planning services that may lead to members of our Firm receiving additional compensation.

Please be aware that you are under no obligation to purchase products or services recommended by us or members of our Firm in connection with our providing you with financial planning services, or any advisory service that we offer.

Additional Service- We use eMoney Advisor software as a financial planning tool and as an aggregate dashboard where you can see all of your accounts in one place (e.g. bank account, mortgages, brokerage accounts, insurance, ect.).

Schwab/TD Ameritrade-In their separate capacity as Registered Representatives of Royal Alliance, our Advisory Representatives and Royal Alliance are subject to certain FINRA supervisory obligations which have caused Royal Alliance to select Schwab or TD Ameritrade as an approved third-party clearing broker/dealer which will execute trades, settle securities transactions and custody your assets on behalf of us and our Advisory Representatives.

Factors considered in selecting Schwab or TD Ameritrade includes its extensive financial strength, reputation, reporting, and execution pricing and research. Schwab or TD Ameritrade also makes available to you a broad array of no-load, no transaction or low transaction cost mutual funds.

Royal Alliance does not sponsor a wrap, unbundled wrap, or fee and commission offset program through Schwab or TD Ameritrade.

Schwab and TD Ameritrade charge commission rates which are generally considered discounted from customary retail commission rates. However, the commissions and/or transaction fees charged by Royal Alliance, Schwab or TD Ameritrade may be higher or lower than those charged by other broker-dealer/custodians. The fees charged by Royal Alliance and Schwab, or any other designated broker-dealer/custodian, are exclusive of, and in addition to our investment management fees. In addition, you shall also incur charges imposed at the mutual fund level (e.g. management fees and other fund expenses).

Third Party Money Managers - We sometimes choose to enter into agreements with third party investment advisors for the provision of asset allocation and similar advisory services.

When we feel it is necessary, a representative may provide personal advisory services to you in the selection of a particular third party advisory service. Factors considered in selecting third party advisory service may include but are not necessarily limited to:

- i) Each individual representative's preference for a particular third party advisory service.
- ii) Your risk tolerance, goals, and objectives, as well as investment experience.
- iii) The amount of your assets available for investment.

All securities transactions will then be decided upon and executed by the third party advisory service. Our recommendation will be made after considering relevant and applicable information about the client and his or her financial situation including but not limited to investment objectives, reasonable restrictions the client wants imposed on the management of his/her account, and assessed risk based upon the individual assets that constitute a client's net worth.

Third Party Money Managers account minimums are disclosed in each respective manager Form ADV and associated paperwork.

Termination of third party money managers follows the same procedures as described above.

Item 5 – Fees and Compensation

Financial Planning and Consulting - Hourly fee is \$150.00 per hour and is due upon receipt of the client invoice.

Ongoing and continuous investment advisory services - **1.295%** (.32375% quarterly)

Wealth Management Services -1.295% (.32375% quarterly)

All fees are subject to negotiation.

The specific manner in which we charge fees is established in your written agreement with us. Investment advisory and wealth management fees are billed quarterly in arrears based on the market value of all your assets under management on the last trading day of each calendar quarter. In any partial advisory fee cycle, the advisory fee will be pro-rated based on the number of days the assets are under management during the particular advisory fee period. Quarterly fees are deducted from your account if you have authorized us to do so on the investment advisory agreement. Disclosure is sent to you on a quarterly invoice. Fees will be rounded up if greater than \$.50 and down if less than \$.50.

Termination - We may terminate our Investment Advisory Agreement with you at any time by providing you with written notice. Likewise, you may terminate the advisory agreement(s) within the first five (5)

business days of entering into the advisory agreement by written notice to the advisor and no fees will be charged. If you wish to terminate the account within the middle of a quarter, any outstanding amounts owed to us for the period of time your assets were under our management shall become immediately due and payable upon termination. A final invoice will be sent to you to show the amount of fee and how it was calculated. For you were being billed on an hourly fee basis, and you terminate prior to completion of the services you will be invoiced for time and services rendered.

Additional Fees and Expenses- Mutual fund investments in the programs that we offer are no-load or load at NAV. Your mutual fund investments may be subject to early redemption fees, 12b-1 fees and mutual fund management fees as well as other mutual fund expenses. These fees are in addition to the fees and expenses referenced above. Please review the mutual fund prospectus for full details.

Variable annuity companies generally impose internal fees and expenses on your variable annuity investment, including contingent deferred sales charges and early redemption fees. In addition, variable annuity companies generally impose mortality charges of approximately 1.25% annually. These fees are in addition to the fees and expenses referenced above. Complete details of such internal expenses are specified and disclosed in each variable annuity company's prospectus. Please review the Variable Annuity prospectus for full details.

In addition to the per-trade transaction charges referenced above, you will also be subject to per-trade confirmation fees as disclosed on your trade confirmation (typically \$4.00 per trade) and an additional fee of \$1.50 for each trade confirmation that you do not elect to receive electronically. You may also be subject to an additional, per-trade transaction charge on the selling of certain securities as disclosed on your trade confirmation (generally less than \$1.00 on trades of \$50,000 or less). These fees are not shared with us but are transaction charges paid to Royal Alliance and our custodian. Please see Item 10 which explains our relationship with Royal Alliance.

Item 12 further describes the factors that we consider when selecting or recommending broker-dealers for your transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

There are additional fees relating to IRA and Qualified Retirement Plan accounts that you may incur such as maintenance and termination fees. You will find these fees disclosed in the account application paperwork provided to you associated with these accounts.

Item 6 – Performance-Based Fees

We do not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

We provide portfolio management services to individuals, high net worth individuals, and corporate pension and profit-sharing plans.

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

Methods of Analysis:

Methods of Analysis - When analyzing investments that may be right for you, we use Fundamental Analysis. Fundamental analysis is security analysis grounded in basic factors such as company earnings, balance sheet variables and management quality which are used to predict the future value of an investment. Information such as interest rates, GNP, inflation and unemployment may be used to predict the direction of the economy and therefore the stock market.

Investment Strategies – Subject to suitability requirements, we generally advise the long-term purchase of stocks, exchange traded funds, bonds, and mutual funds to our clients.

Investment strategies may be any one or all of the following:

Long term purchases: Definition – The purchase of securities held at least a year.

Short term purchases: Definition – The selling of securities within one year of purchase.

Methods of Analysis Risks

Fundamental Analysis – When using Fundamental Analysis, we generally rely on, among other things, company earnings, balance sheet variables and management quality which are used to predict the future value of an investment. Data we review is generally considered reliable but we cannot guarantee nor have we verified its accuracy. In addition, the data that we review is sometimes subjective in nature and open to interpretation. Even if our data and interpretation of the data is correct, there may be other factors that determine the value of securities other than those considered in Fundamental Analysis.

Investment Strategy Risk

Long-term purchases – Using a long-term purchase strategy generally assumes the Financial Markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall Financial Markets advance. Purchasing investments long-term may create an opportunity cost - “locking-up” assets that may be better utilized in the short-term in other investments.

Short-term purchases – Using a short-term purchase strategy generally assumes that we can predict how Financial Markets will perform in the short-term which may be very difficult. There are many factors that can effect Financial Market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

Security Type Risk-

Stocks – Investing in stocks involves the assumption of risk including:

- Financial Risk: which is the risk that the companies we recommend to you may perform poorly which will effect the price of your investment.
- Market Risk: which is the risk that the Stock Market will decline, decreasing the value of the securities we recommend to you with it.
- Inflation Risk: which is the risk that the rate of price increases in the economy deteriorates the returns associated with the stock.
- Political and Governmental Risk: which is the risk that the value of your investment may change with the introduction of new laws or regulations.

Bonds – Investing in bonds involves the assumption of risk including:

- Interest Rate Risk: which is the risk that the value of the bond investments we recommend to you will fall if interest rates rise.
- Call Risk: which is the risk that your bond investment will be called or purchased back from you when conditions are favorable to the bond issuer and unfavorable to you.
- Default Risk: which is the risk that the bond issuer may be unable to pay you the contractual interest or principal on the bond in a timely manner or at all.
- Inflation Risk: which is the risk that the rate of price increases in the economy deteriorates the returns associated with the bond.

Mutual Funds – Investing in mutual funds involves the assumption of risk including:

- Manager Risk: which is the risk that an actively managed mutual fund's investment adviser will fail to execute the fund's stated investment strategy.
- Market Risk: which is the risk that the Stock Market will decline, decreasing the value of the securities contained within the mutual funds we recommend to you.
- Industry Risk: which is the risk that a group of stocks in a single industry will decline in price due to adverse developments in that industry, decreasing the value of mutual funds that are significantly invested in that industry.
- Inflation Risk: which is the risk that the rate of price increases in the economy deteriorates the returns associated with the mutual fund.

Listed above are some of the primary risks associated with the way we recommend investments to you, please do not hesitate to contact us to discuss these risks and others in more detail. In instances where we recommend that a third party manage your assets, please refer to the third party's ADV and associated disclosure documents for details on their investment strategies, methods of analysis and associated risks.

Investing in securities involves risk of loss that you should be prepared to bear.

Item 9 – Disciplinary Information

Registered investment advisers 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. We have no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

All representatives of our firm that provide advice to you (“Advisory Representatives”) are associated with Royal Alliance Associates, Inc. (“Royal Alliance”) as Registered Representatives. In addition, all members of our RIA are affiliated with Royal’s Investment Advisor. Royal Alliance is a diversified financial services company registered with the Financial Industry Regulatory Authority (“FINRA”) as a broker-dealer engaged in the offer and sale of securities products. Our Advisory Representatives may recommend the purchase of securities offered by Royal Alliance. If you purchase these products through them, they will receive normal commissions which may be in addition to customary advisory fees. As such, Advisory Representatives may have an incentive to sell you commissionable products in addition to providing you with advisory services when such commissionable products may not be suitable. Alternatively, they may have an incentive to forego providing you with advisory services when appropriate, and instead recommend the purchase of commissionable investments, if they deem that the payout for recommending the purchase of these investments would be higher than providing management advice on these products for an advisory fee. Therefore, a conflict of interest may exist between their interests and your best interests.

While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented.

Please be aware that you are under no obligation to purchase products or services recommended by us or members of our Firm in connection with providing you with any advisory service that we offer.

Item 11 – Code of Ethics

We have adopted a Code of Ethics (the “Code”) to address securities-related conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes our policies and procedures developed to protect your interests in relation to the following topics:

- The duty at all times to place your interests first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the Code and to avoid any actual or potential conflict of interest or any abuse of an employee’s position of trust and responsibility;
- The fiduciary principle that information concerning the identity of your security holdings and financial circumstances are confidential; and
- The principle that independence in the investment decision-making process is paramount.

We will provide a copy of the Code to you or any prospective client upon request.

Item 12 – Brokerage Practices

Our Investment Advisors are also Registered Representatives of Royal Alliance, a FINRA registered broker dealer. We will recommend Royal Alliance to our clients for brokerage services. We are subject to FINRA Rule 3040 that restricts us from conducting securities transactions away from Royal Alliance. Royal Alliance has granted us authorization for the use of Charles Schwab and TD Ameritrade as an approved third party clearing broker dealer. Royal Alliance will supervise our activities and has certain supervisory obligations. All of our clients using Charles Schwab or TD Ameritrade as custodian, their information will be shared with Royal Alliance in order for Royal Alliance to meet its supervisory responsibilities.

TD Ameritrade Institutional is a division of TD Ameritrade, Inc. member FINRA/SIPC/NFA. TD Ameritrade is an independent SEC-registered broker-dealer.

Charles Schwab, a registered broker-dealer, member SIPC

TD Ameritrade and Charles Schwab offer services which include custody of securities, trade execution, clearance and settlement of transactions and investment research.

Factors considered in selecting Schwab or TD Ameritrade includes their extensive financial strength, reputation, reporting, and execution pricing and research. Schwab or TD Ameritrade also will make available to you a broad array of no-load, no transaction or low transaction cost mutual funds and a selection of ETF's that have no transaction fee.

It may be the case that Royal Alliance, Charles Schwab or TD Ameritrade may charge a higher or lower fee than another broker charges for a particular type of service, such as transaction fees. You may utilize the broker/dealer of your choice and have no obligation to purchase or sell securities through Royal Alliance, Schwab, or TD Ameritrade, however, if you do not use Royal Alliance, Schwab or TD Ameritrade the IA will reserve the right to accept the account.

Item 13 - Review of Accounts

We will perform a quarterly review of performance and account allocation. Upon special request you can elect to have your performance reviewed monthly. Susan Moseley, Tom Miller and Ken Hargreaves perform the reviews and make recommendations. Dina Malizia performs technical functions of establishing performance statistics.

Performance reports are provided quarterly during meetings with clients. If a meeting is not possible, the report is mailed. If a meeting occurs between quarters, a performance review year to date will be prepared. Performance numbers on reports are all year to date statistics. Performance is measured against appropriate market indexes. Clients with managed accounts will receive confirmations and monthly statements from the Custodian with which their accounts are held. Clients with annuity and insurance contacts will receive statements directly from the carrier.

Item 14-Client Referrals and Other Compensation

As discussed previously, all our Advisory Representatives are Registered Representatives of Royal Alliance. This arrangement requires us to offer you advisory services and programs sponsored or approved by Royal Alliance. Royal Alliance sets limits on how much we can charge you for these advisory services. Some advisory programs have higher fee limits than others. As such, there may be an incentive for us to recommend to you advisory services or programs with higher limits. In addition, Royal Alliance may charge us certain usage fees and expenses to use their advisory programs which may decrease the amount of money we make when offering investment advice to you. Therefore, there may be an incentive to provide you with advisory programs and services that may be cheaper for us to use but not as suitable to your needs as other advisory programs that Royal Alliance sponsors which may be more expensive for us to use.

In addition, Royal Alliance offers our Advisory Representatives educational, training and incentive programs for those Advisory Representatives that meet certain sales production goals. There may be an incentive for us to manage your account in ways that assist us in meeting these production goals even if such strategies may not always be suitable for your account.

Our choice of custodian may be influenced by the services that the custodians available to us provide but do not necessarily benefit your account. Such services include software and technology that assist in the management and administration of your account and a mix of services to manage and further develop our business. We also receive some benefits from TD Ameritrade and Schwab through our participation in their program that is not available to retail investors. These benefits include receipt of duplicate client statements and confirmations, research related products and tools, consulting services, access to a trading desk, the ability to have advisory fees deducted directly from your account, access to an electronic communications network for us to order entry and account information, access to mutual funds and ETF's with no transaction fees and discounts on compliance, marking, research, and technology.

As part of its fiduciary duties to clients, Advisor endeavors at all times to put the interests of its clients first. You should be aware, however, that the receipt of economic benefits by us in and of itself creates a potential conflict of interest and may indirectly influence the our choice of TD Ameritrade or Charles Schwab for custody and brokerage services.

While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented.

Item 15- Custody

Not Applicable, we do not maintain custody of your assets. Your account assets are maintained by one of our approved third party clearing broker/dealers, Charles Schwab or TD Ameritrade.

Item 16 – Investment Discretion

We may manage your accounts on a discretionary basis upon obtaining your consent. Your consent is typically granted and evidenced in the client agreement that you sign with us. We define discretion as: the ability to trade your account, without obtaining your prior consent, the securities and amount of securities to be bought or sold, and the timing of the purchase or sale. It does not extend to the withdrawal or transfer of your account funds.

For those account that we do have discretion we may aggregate your orders with those of other clients in a bunched trade or trades when securities are purchased or sold. For each account that we include in the bunched trade, we must reasonably believe that the bunched order is consistent with our duty to seek best execution and may benefit you and each client participating in the aggregated order. The average price per share of each bunched trade is allocated to each account that participates in the bunched trade. Accounts that participate in the same bunched trade are charged transaction costs, if applicable, in accordance with their advisory contracts.

If a bunched order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation. Partial fills will be allocated in a way that does not consistently advantage or disadvantage particular client accounts and are generally filled pro-rata among participating accounts.

Item 17 – Voting Client Securities

We do not have the authority to vote proxies solicited by, or with respect to, the issuers of securities held in your account. Typically, proxy materials will be forwarded to you by our custodian. We will forward proxy materials that we may receive to you. Please contact us at any time with questions you may have regarding proxy solicitations.

Item 18 – Financial Information

We are required in this Item to provide you with certain financial information or disclosures about our financial condition. We are well capitalized in full compliance with applicable regulations and do not foresee conditions that may impair our ability to meet contractual and fiduciary commitments to you, and has not been the subject of a bankruptcy proceeding.

Item 19 – Requirements for State-Registered Advisers

Not applicable, we are an SEC registered investment.

