

**Albemarle Asset Management, Ltd.
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Boca Raton, Florida 33432
(561) 789-3171**

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**Albemarle Asset Management Ltd
c/o Kammerer & Co.
7805 NW Beacon Square Blvd., Suite 204
Boca Raton, Florida 33487**

ADV Part 2A Brochure

May 26, 2011

This brochure provides information about the qualifications and business practices of Albemarle Asset Management, Ltd., or Albemarle. If you have any questions about the contents of this brochure, please contact us at (561) 789-3171. 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 Albemarle also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Material Changes

Albemarle Asset Management Ltd., or Albemarle, filed a firm brochure on March 31, 2011. The assets under management (AUM) figures in Item 4E of the March 31, 2011 brochure were as of December 31, 2010 and not March 30, 2011.

This May 26, 2011 brochure provides updated information in Item 4E on Albemarle's AUM as of April 30, 2011, and includes the Brochure Supplement for Joseph Erdman.

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Item 4 Advisory Business

- A. Albemarle Asset Management Ltd., or Albemarle, is an investment advisory firm that primarily provides integrated investment and estate planning advice to high net worth individuals. Albemarle has been in business since 2002. Joseph Erdman owns Albemarle. Joseph Erdman is the President and Chief Compliance Officer of Albemarle, and is the only employee of Albemarle. Albemarle has its principal place of business in Florida and a seasonal place of business in Virginia. Joseph Erdman uses the Florida location for a majority of the calendar year and the Virginia location for a part of the year.
- B. In addition to managing and allocating assets within a portfolio, Albemarle advises clients on wealth transmission, gift and estate taxation and retirement planning.
- C. Albemarle determines overall asset allocation in consultation with the client. Albemarle tailors the overall asset allocation to the age, specific needs and instructions of the client, including expressed client preferences for emphasis in their portfolio. Albemarle generally does not handle discretionary accounts where the client imposes limitations on investing in particular types of securities.
- D. Albemarle does not participate in any wrap fee programs.
- E. As of April 30, 2011, assets under management were \$149,793,614, consisting of \$113,760,239 as to which Albemarle had discretionary authority and \$36,033,375 as to which Albemarle did not have discretionary authority.

Item 5 Fees and Compensation

- A. Albemarle generally charges clients an annual fee based on assets under management as follows:

- 1% on the first \$4 million of assets under management
- .75% on the next \$4 million of assets under management
- .5% on the excess of assets under management over \$8 million and up to \$10 million.
- .25% on the excess of assets under management over \$10 million.

Albemarle computes assets under management based upon all accounts managed for a client, and related accounts, such as accounts managed for family members of the client. Albemarle's fees may be discounted in special situations.

- B. In most cases, the custodian calculates Albemarle's fees and deducts them from the client's account after Albemarle notifies the client of the amount. In a number of cases the client prefers to pay Albemarle by check.
- C. Albemarle does not charge additional fees for wealth transmission, gift and estate taxation or retirement planning. Clients enter into custodial agreements directly with a trust company or bank which in turn charges fees pursuant to that agreement. Clients also incur brokerage costs, see Item 12, Brokerage Practices.
- D. Albemarle's annual management fee is computed quarterly in arrears.
- E. Albemarle does not accept compensation for the sale of securities or other investment products.

Item 6 Performance Based Fees and Side by Side Management

Albemarle does not receive compensation based on a share of capital gains or on capital appreciation of assets.

Item 7 Types of Clients

Albemarle's clients are primarily high net worth individuals as well as a few selected charitable organizations.

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

- A. Methods – Albemarle's main investment strategy consists of asset allocation among equities, bonds, exchange traded funds, index funds and cash or cash equivalents.

Once overall allocation has been determined in consultation with the client, Albemarle seeks out companies that have strong balance sheets, reasonable price levels relative to their rates of return on equity and predictable top line and bottom line growth.

Albemarle also seeks companies whose stocks exhibit relatively strong technical characteristics. Put another way, Albemarle seeks "reasonable growth" at "reasonable prices." Albemarle tends to avoid momentum investing. In a number of instances; Albemarle will add the stock of a less well known company to a portfolio because of its special characteristics. Albemarle may hold a stock for a long period of time and patience is often required before the full potential of the investment may be realized. Albemarle's emphasis on asset allocation may be the single most critical consideration in a portfolio's performance over the long term. Accordingly, in addition to specific stock and bond recommendations, Albemarle places a great deal of effort into building portfolios structured across a range of assets intended to meet clients' individualized long term investing, income, and capital needs. Intelligent investing in a dynamic world also requires exposure to global opportunities and Albemarle does not limit its portfolios solely to North American exposure.

Investing in securities involves the risk of loss, and clients should be prepared to bear losses taking place in their account.

- B. Risks – Albemarle tends to take a more risk averse approach in client portfolios than many investment advisers. From time to time cash or cash equivalent holdings may be disproportionately higher than the average portfolio. As a result, there is a risk that Albemarle's strategy will perform better than many others in a down market and not as well as many others in robust market upturns. Albemarle's portfolios are also subject to the following risks.

Loss of Capital – All securities investments involve the risk of the loss of capital. The market value of a security may increase or decrease over time. These fluctuations can cause a security to be worth less than the price originally paid for it or less than it was worth at an earlier time. Market risk may affect a single issue, an entire industry or the market as a whole. Although Albemarle believes that its investment program will moderate this risk to some degree through a diversification of asset classes, Albemarle does not represent or guarantee that the program will be successful.

Volatility of Financial Markets – During the last several years, the financial markets have evidenced a high level of volatility. Enhanced volatility, market turmoil and the credit crisis are factors that may exacerbate volatility of the financial markets. Continued volatility could impact a client portfolio's investment strategy. If the evaluation of an opportunity should prove to be incorrect, Albemarle's clients could experience losses as a result of a decline in the market value of the securities held in portfolios. Albemarle cannot predict the timing of these adverse impacts.

Foreign Investments - Foreign investments involve certain special risks, including risks associated with political and economic developments, higher operating expenses, foreign withholding and other taxes that may reduce investment return, possibility of expropriation of assets, reduced availability of public information concerning issuers and the fact that foreign issuers are not generally subject to uniform accounting, auditing and financial reporting standards or to other regulatory practices and requirements comparable to those applicable to U.S. issuers. Other risks include those resulting from fluctuations in currency exchange rates, revaluation of currencies and the possible imposition of currency exchange blockages. Securities of foreign issuers may be less liquid and their prices more volatile than those of securities of comparable domestic issuers. Transaction costs for foreign securities are generally higher than in the United States. Exchange controls and tax or other regulations (currently applicable or introduced in the future) may affect the value and marketability of, and the returns derived from, the foreign investments.

Interest-rate Risk – Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

Market Allocation Risk – The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

Inflation Risk – When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation. Even in investments that may offset inflation risk, financial risk or credit exposure may be present.

Reinvestment Term Risk – This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (for example a lower interest rate). This risk primarily relates to fixed income securities.

Business Sector Risk – These risks are associated with a particular industry or a particular company within an industry.

- C. Albemarle does not primarily recommend any one type of security.

Item 9 Disciplinary Information

Neither Albemarle nor Joseph Erdman have been involved in any disciplinary events or proceedings.

Item 10 Other Financial Industry Activities and Affiliates

- A. Albemarle is not registered as a broker-dealer.
- B. Albemarle is not registered as a commodity pool operator or commodity trading adviser.
- C. Neither Albemarle nor Joseph Erdman have any other financial industry activities or affiliations. Joseph Erdman acts as a trustee on a number of trusts where he is named in the wills or trust agreements and receives fees as trustee. But he conducts no other business activity and does not receive any other compensation from any products or services, except as President of Albermarle.

- D. Neither Albemarle nor Joseph Erdman receive compensation for recommending or selecting other investment advisers.

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

- A. Code of Ethics – Albemarle’s Code of Ethics is in writing and is contained in its Compliance Manual. The Code of Ethics provides that Albemarle has an affirmative duty of loyalty to its clients, which means, in plain English, that Albemarle must always act in the best interests of its clients and deal fairly with them. The Code of Ethics provides that Albemarle needs to have a reasonable independent basis for investment advice and that investment advice needs to be suitable to the client’s objectives, needs and circumstances. The Code of Ethics also provides that

- Albemarle must provide advice that is in the client’s best interest and must not place its interests ahead of the client’s interests under any circumstances.
- Albemarle must make appropriate disclosures when dealing with clients including disclosure of any potential or actual conflicts of interest.
- Albemarle will treat records and financial information with strict confidentiality.
- Albemarle strictly prohibits engaging in any fraudulent or deceitful conduct with clients or potential clients.

Albemarle’s Code of Ethics also requires compliance with all applicable laws, regulations and other legal provisions, including securities laws and regulations.

Albemarle will provide a copy of its Code of Ethics to any client or prospective client upon request.

B. Client Transactions Where Adviser has a Material Financial Interest. Albemarle does not recommend to clients, or buy or sell for client accounts, securities in which Albemarle has a material financial interest.

C. + D. Investment in Same Securities. Investment in Recommended Securities. Joseph Erdman sometimes

- invests in the same securities (or related securities) that Albemarle recommends to clients.
- recommends securities to clients and buys or sells securities for clients, at or about the same time as he buys or sells the same securities for his own account.

These situations present a potential conflict of interest because trades by Joseph Erdman could have an adverse impact on prices available to clients. For this reason, Joseph Erdman executes his trades after client trades.

Item 12 Brokerage Practices

A.

1. Research and Soft Dollar Practices. Albemarle does not receive research or other products (other than execution) from a broker-dealer or third party in connection with client securities transactions.
2. Brokerage for Client Referrals. Albemarle does not select or recommend specific broker dealers.
3. Directed Brokerage

a. Albemarle does not select or recommend specific broker dealers.

Albemarle recommends that its clients execute transactions through the client's independent custodian.

b. Albemarle permits clients to direct brokerage, but all clients have chosen to use their custodian.

B. Aggregation. Albemarle has adopted trading policies that are intended to insure that all trades are undertaken and, where necessary, allocated to advisory clients in a manner that fulfills our fiduciary obligations to each advisory client and otherwise allocates securities on a basis that is fair, equitable, consistently applied, and does not unfairly discriminate against any advisory client. Instances where allocation may be necessary, include without limitation; block trades, bunching client trades, simultaneous transactions in securities for advisory clients and the firm (or the employee of the firm), and disposition of unattractive securities (e.g., a downgraded security). When allocation is necessary, securities shall be apportioned among advisory clients and others in accordance with Albemarle's trading policies and otherwise as directed by Joseph Erdman, our Chief Compliance Officer, or CCO. In determining whether an allocation is fair, the CCO takes into account Albemarle's fiduciary duties to each client; potential conflicts of interest; the facts and circumstances presented in each instance, each client's individual investment objectives, mandates and suitability to participate in the transaction and any other considerations which, in the sole judgment of the CCO, are relevant and material to the overall goal of allocating securities on a fair and equitable basis.

Block trading (bunching transactions) is permitted where the following conditions are met:

1. Orders of two or more clients may be bunched only if Albemarle has determined, on an individual basis that the securities order is:
 - a. in the best interests of each client participating in the order; and
 - b. consistent with the terms of the investment advisory agreement of each participating client.
2. Any investment by one client shall not be dependent or contingent upon the willingness or ability of another client to participate in such transaction.
3. Documentation relating to the transaction shall be generated and maintained for each client participating in the bunched trade.
4. The terms negotiated for the bunched transaction should apply equally to each participating client.
5. The allocation of securities purchased or sold in a bunched trade must be made in accordance with Albemarle's allocation procedures.
6. The price of the securities purchased or sold in a bunched transaction shall be at the average share price for all transactions of the clients in that security for that given order, with all transaction costs shared on a pro rata basis.

Item 13 Review of Accounts

- A. Joseph Erdman, President of Albemarle, reviews all accounts on a continuous basis.
- B. Joseph Erdman is familiar with the content of each client portfolio and conducts these reviews.

- C. The vast majority of clients have internet access to their account information.

Albemarle urges clients to compare this information to the information received from their custodian.

Item 14 Client Referrals and Other Compensation

- A. Albemarle does not receive economic benefit from non-clients for providing investment advice or other services to clients.
- B. Albemarle does not provide compensation for client referrals.

Item 15 Custody

Client funds and securities are held by “qualified custodians”, within the meaning of the custody rule, selected by the client. These custodians provide account statements directly to clients monthly and in some smaller family accounts at least quarterly.

Item 16 Investment Discretion

Albemarle accepts discretionary authority and has discretionary authority for a number of clients. Albemarle generally does not handle accounts on a discretionary basis where the client may limit this discretionary authority as to types of securities or specific securities. The written advisory agreement with the client specifies whether Albemarle has discretionary authority, and when the account is discretionary, the client and the custodian generally make arrangements to permit Albemarle to exercise that authority.

Item 17 Voting Client Securities

Albemarle does not vote proxies for clients.

Clients will receive their proxies directly from their custodian, the issuer, or the transfer agent. Clients can contact Joseph Erdman with questions about a particular

proxy solicitation, although clients generally do not consult Joseph Erdman with respect to these questions.

Item 18 Financial Information

Albemarle does not believe that it has any financial impairment that will preclude Albemarle from meeting contractual commitments to clients.

BROCHURE SUPPLEMENT

Joseph Erdman

Albemarle Asset Management, Ltd.

550 S.E. Mizner Boulevard - Suite 404

Boca Raton, FL 33432

(561) 789-3171

PURPOSE OF THE BROCHURE SUPPLEMENT:

This *BROCHURE SUPPLEMENT* provides information about Joseph Erdman that supplements the Albemarle Asset Management, Ltd. *FIRM BROCHURE*. You should have received a copy of that *FIRM BROCHURE*. Please contact Joseph Erdman if you did not receive Albemarle Asset Management, Ltd's *FIRM BROCHURE* or if you have any questions about the contents of this *BROCHURE SUPPLEMENT*.

Additional information about Joseph Erdman is available on the SEC's website at www.adviserinfo.sec.gov

NOTE:

While Albemarle Asset Management, Ltd. may refer to itself as a "registered investment advisor" or "RIA" Clients should be aware that registration itself does not imply any level or skill or training.

Item 2 - EDUCATIONAL AND BUSINESS

EXPERIENCE

Joseph Erdman (b. 1935), President of Albemarle Asset Management, Ltd.

Education

LL.B., *Fordham University* School of Law 1960, Senior Class Prize

University of Michigan School of Law (1956-1957), post graduate (1st Lt.US Army active duty—1957-58)

B.A., Political Science, *University of Virginia*, 1956, Phi Beta Kappa

Business Background

Albemarle Asset Management, Ltd. (2002-Present): Investment Management and Estate Planning. Joseph Erdman, President and Chief Compliance Officer. Registered Investment Adviser.

Proskauer Rose LLP, (1982-2002), New York, N.Y. and Boca Raton FL, Partner and Chair, Personal Planning Department-1991-2000 (Trusts and Estates). Chair, Partners' Pension Investment Committee (1991-1995).

Greenbaum Wolff & Ernst, New York, N.Y. and Miami FL, Partner and Chair, Trusts and Estates Department-1962-1982; opened Miami office 1978-1982.

Wormser Koch Kiely & Alessandrone, Associate, Trusts, Estates and Taxation (1960-1962).

Member, New York Bar 1960-Present (Inactive).

Florida Bar 1975-Present (Inactive).

Elected Fellow, American College of Trusts and Estate Counsel (Boca Raton, Florida, Charlottesville, Virginia) 1985-Present.

Visiting Professor of Law, University of Virginia School of Law, (Estate Planning Principles and Practice). 1999-2006.

Lecturer and Speaker, New York University Institute of Taxation 1978; Seminars and Lecturer on "Preserving the Estate," in various cities from 1978-82.

Invited participant U.S. House of Representative's Ways and Means Committee's deliberations on proposed estate and gift tax provisions culminating in 1976 Tax Reform Act. (March 1975).

American Bar Association (Committee on Fiduciary Investments); Author, books and articles on Estate Planning, Fiduciary investments; problems of multi state residences ("the Migratory Client"); guest appearances on CBS and other TV and Radio programs on fiduciary investments and estate planning; "Choosing

Fiduciaries” for Manufacturers Hanover Trust publications and “Complete Guide to the Marital Deduction” , 1978.

Item 3 - DISCIPLINARY INFORMATION

Joseph Erdman has not had any legal or disciplinary events in his past.

Item 4 - OTHER BUSINESS ACTIVITIES

Joseph Erdman acts as a trustee on a number of trusts where he is named in the wills or trust agreements and receives fees as trustee. But he conducts no other business activity and does not receive any other compensation from any products or services, except as President of Albermarle Asset Management Ltd.

Item 5 - ADDITIONAL COMPENSATION

Neither Albemarle Asset Management, Ltd. nor Joseph Erdman receives any economic benefit from non-clients for providing investment advice or other services to clients.

Item 6 - SUPERVISION

As president of Albemarle Asset Management, Ltd., Joseph Erdman reviews all accounts on a continuous basis. He is familiar with the content of each client portfolio and the financial goals and personal and family objectives of the client and conducts periodic reviews. Further, he also reviews accounts as a whole each quarter in conjunction with the calculation of advisory fees. Advisory fees are independently calculated or confirmed by the custodial institution in most instances. As a general practice, Albemarle recommends that all client accounts be lodged with a custodian bank or trust company unaffiliated with brokers or broker-dealers.

As President of Albermarle Asset Management, Ltd. Joseph Erdman is not supervised by anyone else.

Clients may contact Joseph Erdman directly at (561) 789-3171 (Cell); (561)367-8883 FL; (434)296-0525 VA. FAX: 434-296-0675

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