

DISCLOSURE BROCHURE

ITEM 1

COVER PAGE

FORM ADV PART 2A

The Investment Advisors Act of 1940 Rule 204-3

ESD ADVISORY SERVICES, INC.

**7272 Wisconsin Avenue
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May 21, 2012

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SEC File Number 801-17591
Firm CRD/IARD Number 104927

ESD Advisory Services, Inc.
Registered Investment Advisor ¹

This Disclosure Brochure provides information about the qualifications and business practices of ESD Advisory Services, Inc., which should be considered before becoming a client. You are welcome to contact us should you have any questions about the contents of this Disclosure Brochure. Additional information about ESD Advisory Services, Inc. is also available on the Maryland Securities Division website at www.oag.state.md.us/securities.

The information contained in this Disclosure Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Administrator.

¹ References herein to ESD Advisory Services, Inc. as a “Registered Investment Advisor” or any reference to being “Registered” does not imply a certain level of skill or training.

MATERIAL CHANGES

There have been no material changes made to this document since the last revision date indicated on the cover of this Disclosure Brochure.

TABLE OF CONTENTS

Item 4	Advisory Business	4
Item 5	Fees and Compensation	5
Item 6	Performance-Based Fees and Side-By-Side Management	7
Item 7	Types of Clients	8
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss	9
Item 9	Disciplinary Information	11
Item 10	Other Financial Industry Activities and Affiliations	12
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	13
Item 12	Brokerage Practices	14
Item 13	Review of Accounts	15
Item 14	Client Referrals and Other Compensation	15
Item 15	Custody	15
Item 16	Investment Discretion	16
Item 17	Voting Client Securities	16
Item 18	Financial Information	16
Item 19	Requirements for State Registered Advisers	16
ADDITIONAL INFORMATION		
	Privacy Notice	17
BROCHURE SUPPLEMENTS		
	Edward S. Dove, III CFP ®	

ADVISORY BUSINESS**Who We Are**

ESD Advisory Services, Inc. (hereinafter referred to as “ESD”, “the Advisor”, “we”, “us” and “our”) is a fee-only registered investment advisor incorporated in February of 1982 as a Maryland corporation. As a fiduciary we provide asset management and related consulting services to individuals, business owners and trustees. These services may include financial planning and retirement planning.

Owners

ESD is 100% owned by Edward S. Dove, III (President, Treasurer and Chief Compliance Officer).

Services Excluded by ESD

ESD specifically excludes any form of stock market “timing”. Timing is loosely defined as recommending the purchase of securities in anticipation of an imminent increase in the price of the securities and selling the securities in anticipation of an imminent decrease in the price of the securities.

Investments Offered by ESD

Investments offered include but are not limited to mutual funds, exchange traded funds (ETFs), stocks, corporate debt securities, municipal bonds, United States government securities, certificates of deposit, other federally insured bank products, real estate investment trusts (REITs) and Unit Investment Trusts (UITs). ESD tailors all advisory services to the individual needs of clients. In addition, ESD may select other advisors for clients of the firm. ESD receives no compensation for these referrals.

Restrictions on Investments

Clients have the right to place restrictions regarding specific investments, mutual fund families or asset classes in their ESD managed accounts. Such requests must be presented in writing.

Client Obligations

During the term of advisory agreement, client remains responsible to promptly notify ESD if there is any change in their financial situation, investment objectives or tolerance for risk. ESD is not required to verify any information received from the client or from client’s other professionals and is expressly authorized to rely on said information.

Assets Under Management

As of December 31, 2011 assets under management totaled \$39,017,700. All assets are managed on a discretionary basis. Zero assets are managed on a non-discretionary basis.

FEES AND COMPENSATION**Advisory Fee**

The annual investment advisory fee charged by ESD is ½% (.005) of the market value of the assets placed under ESD's management. Fees are calculated and billed annually and collected quarterly.

The day on which the Financial Advisory Agreement is ratified (Anniversary) determines the day on which the market value of the assets is determined and upon which the advisory fee is based. Fees are billed in advance.

The **minimum annual fee** is \$1,000 for portfolio values that fall below \$200,000. The asset management fee will be fully disclosed in the Asset Management Agreement prior to providing any investment management services.

ESD retains the discretion to reduce the management fee on a client-by-client basis depending on the complexity of the portfolio management. For example, a portfolio comprised of 100% fixed income securities may be charged a reduced management fee. Fees are negotiable.

The client may authorize ESD to deduct all applicable fees from client's account or may choose to pay by check. If the investment advisory fee has not been paid by check within 15 days of client's receipt of invoice, fee may be deducted. In the event the account does not contain sufficient cash to cover the fee, ESD may, at its option, sell sufficient securities held in the account to pay the advisory fee. ESD is not liable for any loss of capital or opportunity, or any additional charges or taxes which may be incurred by this action.

Advisor may, at advisor's discretion, charge a consulting fee at the rate of \$175 per hour or a flat fixed fee determined by advisor. Hourly fees are typically charged for client consultations about specific and limited financial issues. Flat fixed fees are typically charged for advice about fixed income securities (excluding equities).

Fee Exclusions

ESD Advisory fees exclude any charges imposed by the custodial firm including but not limited to: (i) Exchange/SEC/Regulatory fees; (ii) certain transfer taxes; (iii) service or account charges, including postage/handling fees, electronic and wire transfer fees, auction fees, debit balances, margin interest, certain odd-lot differentials and mutual fund short-term redemption fees; and (iv) brokerage and execution costs associated with securities held in the account. There may also be other fees charged to your account that are unaffiliated with the services provided by ESD. In addition to the advisory fee charged by ESD mutual fund companies charge their own internal management fees and expenses directly to client's account.

All mutual funds recommended by ESD are no load or load waived (no sales charge). For certain mutual funds there may be trading fees up to \$50 per trade. In addition, the custodian may charge the client a \$50 redemption fee if the fund is held less than 90 days. For equity trades the custodian (Fidelity Investments) will also charge the client standard commissions. No amount of any of these fees is paid to ESD.

Limitations of Liability

ESD Advisory Services, Inc., as well as the Maryland Securities Division, concur with the position outlined in Auchincloss & Lawrence, Inc., which requires the inclusion of the additional statement that federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith and, therefore, nothing contained in this agreement shall constitute a waiver of any rights that a client may have under federal and state securities laws.

Assets Under Management

(See Item 4)

Termination of Asset Management Services

Either party, with written notification by certified or registered mail to the other party, may terminate the Asset Management Agreement at any time. ESD shall refund any **full-month** unearned fee. The refunded management fee will be credited to the client brokerage account where possible. If this is not possible, ESD will issue a check in the name of the client for the refund.

BROKERAGE PRACTICES

(See Item 12)

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

ESD does not charge performance-based fees.

TYPES OF CLIENTS

ESD Advisory Services, Inc. (ESD) generally provides investment advisory services to individuals, business owners, trusts, estates and charitable organizations.

ESD charges a minimum annual advisory fee of \$1,000 and generally will accept a minimum account of \$200,000.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

ESD Advisory Services, Inc. provides investment counsel to long-term, quality portfolios. The following considerations serve as the foundation of our investment process:

People

We regard an investment in a mutual fund as an investment in a key decision maker along with the decision maker's support services. If possible, we like to meet the decision maker personally and attend their annual shareholder meetings. In addition to evaluating the relative performance of the decision maker we also review the manner in which management treats shareholders, their employees and their communities.

Time

We normally wait approximately three years between our initial evaluation of a manager and recommending the manager to our clients. In particular we want to evaluate the performance of a manager through at least one complete market cycle. In addition we typically avoid managers that attract a large flow of incoming capital over a short period of time.

Appropriate Financial Vehicles

Investors vary in their need for stability, income and growth. We seek to recommend the most appropriate financial vehicle for each client's needs and tolerance for risk. We generally utilize investment grade municipal bonds, US government securities and federally insured certificates of deposit to meet a clients current income needs. For growth of capital needs we generally utilize no-load growth and balanced stock mutual funds.

Risk

Any investment in the capital markets will have inherent risks including market risk, credit risk, political risk, and currency risk. We attempt to construct portfolios that are consistent with each client's time horizon and tolerance for risk. Our strategy includes diversification among different asset classes (stocks, bonds, money markets), different investment styles (value, balanced, growth) and different market capitalizations of the underlying companies (small, mid-cap, large). In addition, we seek diversity of investments in various industries spread across a relatively wide geographic area. Investing in securities involves risk of loss that clients should be prepared to bear.

Process

After preliminary meetings with clients to ascertain their risk-tolerance and financial objectives, we begin to implement our investment strategy. We strive for superior long-term performance consistent with each client's objectives and tolerance for risk. Our investment approach considers each investment opportunity on its own merits as well as its role in a diversified portfolio designed to meet each client's individual objectives. Mutual fund selection recognizes the importance of dividends for their role of providing current income, growth of income and stability for client accounts. When seeking a higher degree of growth, our accounts may place less emphasis on dividends and more emphasis on the appreciation potential of the underlying asset.

DISCIPLINARY INFORMATION

Neither ESD nor any associated persons or entities has ever been involved in any disciplinary action, administrative or criminal, by the SEC or other federal authority or state authority.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

ESD Advisory Services, Inc. is a fee-only independent registered investment advisor. No supervised persons are licensed by or related to, another financial industry participant and therefore no disclosure is required for this item.

ESD Advisory Services, Inc. receives no compensation for referring clients to third party advisors.

**CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT
TRANSACTIONS AND PERSONAL TRADING**

As a fiduciary, ESD Advisory Services, Inc. has a duty to provide unbiased investment advice and at all times act in the best interest of the client. To maintain this ethical responsibility, ESD has adopted a Code of Ethics that establishes the fundamental principles of conduct and professionalism expected by all associated persons in performing their duties. This Code of Ethics is designed to deter inappropriate behavior and is based upon the principles of openness, integrity, honesty and trust. We promote the following principles:

- Honest and ethical conduct.
- Full, fair and accurate disclosure.
- Compliance with applicable rules and regulations.
- Reporting any violations of the Code.
- Accountability.

All personal portfolios contain many of the same mutual funds as registrant's clients. As such, there is no impact of personal trades on the value received by clients. However, in the unlikely event any individual stocks are traded in both client accounts and registrant's accounts, registrant trades are either combined with client trades so all trades are executed at the same price or registrant's trades are placed following a client's transaction. As a fiduciary, ESD has the duty to ensure that the client's welfare is placed before its own.

BROKERAGE PRACTICES

ESD Advisory Services, Inc. recommends Fidelity Investments for custody of client assets. Fidelity also offers services which include trade execution, clearance and settlement of transactions, electronic storage of client statements, trade confirmations and tax documents.

ESD is not a subsidiary of, or an affiliated entity of Fidelity. ESD has sole responsibility for investment advice rendered and provides advisory services separate and independent from Fidelity.

Factors that the advisor considers in selecting or recommending the broker-dealer for client transactions and determining the reasonableness of their compensation include, but are not limited to, their size, reputation and longevity in the securities business.

Whenever any trading discount of fees or commissions is available from Fidelity for the purchase or sale of securities, advisor will aggregate all such sales or purchases to assure the lowest cost to customer. This includes but is not limited to block trades or trades of a certain size.

REVIEW OF ACCOUNTS

Client accounts are reviewed on an ongoing basis to ensure that the client's goals and objectives are on target within the client's stated guidelines. Updated in-person reviews may be initiated because of market activity, client request or other events that merit portfolio review.

Clients receive monthly account statements from Fidelity Investments plus an annual consolidated statement from ESD. Clients are encouraged to review investment objectives and account performance with Registrant on an annual basis. Material changes in a client's personal circumstances may trigger an immediate review. However, it is the sole responsibility of the client to communicate these changes to ESD so that any appropriate changes can be implemented.

Client portfolio reviews are conducted by Edward S. Dove, III, President or his appointed representatives.

ITEM 14**CLIENT REFERRALS AND OTHER COMPENSATION**

Client referrals are provided to us by individuals. ESD does not compensate, directly or indirectly, any third party for referrals.

ITEM 15**CUSTODY**

By Securities and Exchange Commission's definition, ESD is considered to have custody of client assets because clients provide authorization for ESD to directly withdraw its management fee from their brokerage account. Fidelity Investments is not responsible for confirming the accuracy of ESD billing and client is encouraged to confirm the accuracy of the account balance on which advisory fee is based. In addition, client will receive account statements from Fidelity Investments. Client should carefully review these account statements. Account balance on billing statement should equal the account balance provided directly by Fidelity Investments. ESD counts the prices of fixed income securities at their face value (par) without regard to premiums or discounts.

INVESTMENT DISCRETION

ESD Advisory Services, Inc. and Client will execute an Asset Management Advisory Agreement which provides the authority to ESD to buy and sell securities in whatever amounts determined by both parties to be appropriate for the client account. When possible, all sales and purchases will be discussed and agreed to prior to the execution of a trade. However, there may be situations where ESD is unable to discuss recommended transactions prior to the execution of said transactions. Client agrees to hold harmless ESD for undisclosed transactions. ESD will continue to make timely attempts to contact client to disclose all pending or completed transactions.

Limitations of Liability

ESD Advisory Services, Inc., as well as the Maryland Securities Division, concur with the position outlined in Auchincloss & Lawrence, Inc., which requires the inclusion of the additional statement that federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith and, therefore, nothing contained in this agreement shall constitute a waiver of any rights that a client may have under federal and state securities laws.

Additional Limitations

Clients may place specific limitations on ESD's discretionary authority. All such limitations must be provided in writing to ESD and ESD must acknowledge in writing the receipt of such limitations.

ITEM 17**VOTING CLIENT SECURITIES**

ESD Advisory Services, Inc. does not vote client proxies and encourages clients to vote their own proxies.

Clients will receive their proxies or other solicitations directly from their custodian or a transfer agent. Clients are encouraged to contact ESD Advisory Services, Inc. with questions about any particular solicitation.

ITEM 18

FINANCIAL INFORMATION

ESD Advisory Services, Inc. is not required by the SEC to disclose a corporate balance sheet but is required to report any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients. No such conditions exist.

Neither ESD nor any of its officers and directors has been the subject of a bankruptcy petition at any time since the firm's founding in 1982.

ITEM 19

MARYLAND STATE REQUIREMENTS FOR REGISTRATION

Subject to the requirements of the federal National Securities Markets Improvement Act of 1996, investment advisers and their representatives must register with the Securities Division in the office of the Maryland Attorney General. An investment adviser is required to provide a client with a Form ADV, Part II, or other disclosure document no later than the time of entering into a contract.

To find out if an investment adviser or financial planner is or should be registered in Maryland or is the subject of any complaints, contact the Securities Division at (410) 576-7048. Edward S. Dove, III is the principal executive officer and management person of Advisor. See Part 2B of Form ADV "Brochure Supplement" below for educational and business background.

Additional Information ESD ADVISORY SERVICES, INC. DISCLOSURE BROCHURE

Additional Information

Privacy Notice

As our client you share both personal and financial information with us. This information enables us to provide you with appropriate, personalized service and allows us to help you achieve your goals within your established parameters. Your privacy is important to us and we are dedicated to safeguarding your personal and financial information.

We collect non-public information which includes but is not limited to a client's name, social security number, income, and net worth.

We do not disclose or sell information about current or past clients to third parties unless requested to do so by you, your authorized representative or as required or permitted by law. Additionally, ESD shares information with Fidelity Investments in order to open brokerage accounts, execute trades and perform necessary administrative services. Fidelity understands their obligation to treat this information as confidential.

END OF DISCLOSURE BROCHURE

Form ADV Part 2A

ESD Advisory Services, Inc.

**Part 2B of Form ADV:
Brochure Supplement**

Item 1

This Brochure Supplement provides information about Edward S. Dove, III that is an accompaniment to the Disclosure Brochure for ESD Advisory Services, Inc. You should receive both of these documents together as a complete disclosure packet. If you did not receive the Disclosure Brochure or if you have questions about this Brochure Supplement for Mr. Dove, you are welcome to contact Mr. Dove directly. His contact information is on the cover of the Disclosure Brochure.

Edward S. Dove, III CFP®

Birth Date: 04/22/1952

Item 2**Education**

Duke University, Durham, NC (Economics) BA-1974

College for Financial Planning, Denver, CO, CFP®-1980

Licenses

FINRA Exams:

Series 7 General Securities Representative (Retired)
Series 63 Uniform Securities Agent State Law (Retired)
Series 64 Registered Principal (Retired)

Business Background

02/82—Present

ESD Advisory Services, Inc.
Owner and President

07/98—08/05

Lincoln Financial Advisors/Sagemark Consulting
Director of Asset Management
Regional Compliance Officer

02/76—02/82

Sole Proprietor
Financial Planner

Professional Designation

The **CFP** mark is a professional designation granted by the Certified Financial Planner Board of Standards, Inc. To secure the right to use the CFP mark, Mr. Dove has completed an educational program and passed a series of six examinations. In addition, to receive the CFP certification, a candidate must have at least three years of planning experience. Mr. Dove received the CFP designation on May 15, 1981. Finally, he has agreed to be bound by a strict Code of Ethics and to complete any continuing education required to maintain this original designation.

Item 3 **Disciplinary Information**

There are no legal or disciplinary events to report.

Item 4 **Other Business Activities**

Mr. Dove is not engaged in any other business activity.

Item 5 **Additional Compensation**

Mr. Dove does not receive any economic benefit from any other business activity.

Item 6

Advisor supervises its supervised person by strictly adhering to the Code of Ethics disclosed in Item 11 of Form ADV Part 2A. In addition, Advisor reviews the Maryland Securities Act, as amended from time to time, to assure strict compliance. All advice provided to clients by Advisor is periodically reviewed by Advisor.