

Bard Associates, Inc.

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**Investment Advisory Services Brochure
3/31/2011**

This brochure provides information about the qualifications and business practices of Bard Associates, Inc. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Registration with the SEC or any state securities authority does not imply that Bard Associates, Inc. possesses a particular level of skill or training. Bard Associates, Inc. cannot guarantee that the objectives of its advisory services will be achieved. Investments in securities involve risk, including the loss of principal. If you have any questions about the contents of this brochure, please contact us at 312-782-9600.

Additional information about Bard Associates, Inc. is available on the Internet at <http://www.adviserinfo.sec.gov>.

Summary of Material Changes

The following information represents a discussion of only the material changes made to our firm brochure since the last annual update, 3/31/2009. A material change means one that a reasonable investor would consider important in deciding to do business with Bard Associates, Inc.

We have rewritten Form ADV, Part II to conform to the Securities and Exchange Commission (SEC) amendments adopted on July 21, 2010. This form is now written in a narrative format instead of a “check the box” format. The name of the brochure has been changed from Form ADV, Part II to Form ADV, Part 2A. This brochure has a new structure and contains information designed to provide clients with clearly written, meaningful information about our firm.

These SEC amendments dictated the eighteen items we address in this brochure.

This Form ADV Part 2A is available on the internet by accessing www.iard.com and following the on-screen instructions to locate information about Bard Associates, Inc.

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Advisory Business

Investment Advisory Services

Bard Associates, Inc. ("BAI") is an investment advisor registered with the Securities and Exchange Commission (SEC), under the Investment Advisors Act of 1940. We have been managing client money since 1983. BAI was founded by and is owned by Timothy B. Johnson.

We invest your money in stocks, bonds, and other types of investments, using a long-term, buy-and-hold strategy. Each account is managed individually. When you open an account with us, you will fill out a "Confidential Client Profile," which tells us about your financial goals, investment timeframe, liquidity needs, any restrictions on companies, industries, or types of securities you do not want to invest in, and, most importantly, your risk tolerance level. Your risk tolerance level is rated on a scale of 1 to 10. We consider your financial goals and risk tolerance before investing your money.

Our preference is to invest in the common stocks of smaller companies because they provide higher returns. We also invest in other instruments that we consider "defensive" in nature. These are appropriate for our more conservative clients and may include

| | |
|-------------------------|-------------------------------|
| Cash Equivalents | Real Estate Investment Trusts |
| Certificates of Deposit | Royalty and Income Trusts |
| Government Bonds | Master Limited Partnerships |
| Preferred Stocks | Utilities |
| Corporate Bonds | Foreign Common Stocks |
| Foreign Bonds | Commodities |

We target the mix of "aggressive" and "defensive" assets depending on your risk tolerance, as follows.

| <u>Risk Tolerance</u> | <u>Description</u> | <u>% Invested in Micro-Cap Stocks</u> | <u>% Invested In Other Lower-Risk "Defensive" Investments</u> |
|-----------------------|--------------------|---------------------------------------|---|
| 1 | No Risk | 0 | 100 |
| 2 | Very Low Risk | 0 | 100 |
| 3 | Low Risk | 0 | 100 |
| 4 | Modest Risk | 10 | 90 |
| 5 | Average Risk | 20 | 80 |
| 6 | Moderate Risk | 30 | 70 |
| 7 | Substantial Risk | 45 | 55 |
| 8 | High Risk | 60 | 40 |
| 9 | Very High Risk | 80 | 20 |
| 10 | Maximum Risk | 100 | 0 |

These are not strict guidelines, but we show them to illustrate our targets for you.

Mutual Fund Advisory Service

BAI also provides an investment advisory service using no-load mutual funds. If you choose this service, we will recommend mutual funds that meet objectives that you specify. After you select the mutual funds to be used, we will monitor them and report to you on their performance. We will also recommend changes in your mutual funds as appropriate.

Portfolio Monitoring Service

We also provide a portfolio monitoring service to some clients. If you choose this service, we will track a portfolio that you manage. Every quarter, we will send you an evaluation of your portfolio, along with performance statistics for the quarter and year to date. We can do this more frequently on your request. After the year ends, we will send you a tax package (if the account is taxable), which will tell you the capital gains, dividends, and interest for the year. Also, once each year, we will send you an "Account History," which shows the history, year-by-year, of each account you manage.

Bard Micro-Cap Value Fund

At the end of 1999, BAI began offering the Bard Micro-Cap Value Fund, L.P. to clients. This is a limited partnership that invests in the smallest of companies (micro-caps) to achieve long-term capital growth. BAI is the general partner of this partnership. We will provide you with a Private Offering Memorandum if you decide to invest in this fund. This fund may not be available to everyone because of various state laws, investor limitations, and other factors.

Other Investments

We do not participate in any wrap fee programs.

Amount under Management

We managed \$243,789,144 of our clients' money as of 12/31/2011 on a discretionary basis. When we manage money on a discretionary basis, the client has directed us to select the investments for his/her portfolio. We also managed \$8,435,865 of client assets on a non-discretionary basis as of 12/31/2011. When we manage money on a non-discretionary basis, we provide the research, recommendations, and execution of investments, but the client makes the decision to invest in a particular asset. BAI's clients own many other self-managed accounts for which BAI provides only a portfolio monitoring service.

Fees and Compensation

BAI is compensated for its advisory services in several ways: a percentage of assets under management, hourly charges, and fixed fees. The method of compensation depends on the service offered.

Investment Advisory Service

BAI charges fees for our investment advisory services based on a percentage of assets under management. The fee schedule on an annual basis is:

| <u>Account Assets</u> | <u>Annual Fee</u> |
|-----------------------|-------------------|
| First \$1 million | 1.00% |
| Next \$1 million | 0.90% |
| Next \$1 million | 0.80% |
| Next \$1 million | 0.70% |
| Next \$1 million | 0.60% |
| Balance | 0.50% |

Fees are payable quarterly. We may negotiate some fees for large accounts. If several members of your family use our services, we may add your accounts together to calculate the fees.

Mutual Fund Advisory Service

The fee for this service is 0.5% of assets per year, payable quarterly.

Portfolio Monitoring Service

Portfolio monitoring services are only for self-managed accounts. BAI charges a base fee of \$125 per quarter for each account. In addition, we charge \$10 for each transaction during the quarter and \$2 for each tax lot at the end of the quarter. We may reduce this fee under certain circumstances.

Bard Micro-Cap Value Fund, L.P.

The minimum investment in this fund is \$20,000, although we may accept smaller investments at times. We will charge you a management fee of 1% per year that is payable quarterly. You can only invest in this fund at the end of each calendar quarter (March 31st, June 30th, September 30th, or December 31st). We will charge you 5% if you decide to withdraw your money less than one year after your investment. You may withdraw part or all of your investment in the Bard Fund only at the end of a quarter, with one month's written notice.

Hourly Services

We also offer hourly services for advice on investments which we do not manage for you. Fees will vary, depending on the staff member who does the work. Some of our work on 401(k) programs is done on this basis. You will be invoiced for this service, and payment will be due 30 days after the invoice date.

Our hourly service includes a tax return review service. Tim Johnson, President of BAI, assists in reviewing the returns and consulting with you regarding them. Fees for his time are \$150 per hour as of 2011 and can be expected to increase over time. Lower rates are charged for staff time, and fees are due 30 days after the invoice date.

Billing

We will send you four invoices each year, near the end of the month following the end of each calendar quarter. Each invoice will cover the current calendar quarter and will show you the value of your account and how we calculated your advisory fee. For example, we will send you an invoice at the end of July, using the portfolio value on June 30th, and payment of that invoice will be due on September 30th.

You may pay BAI directly, or, with prior written authorization, you may choose to have your fees deducted directly from your accounts. This will be done about one month after the invoice is sent to you. For example, the invoice we send you in July would be deducted from your account in late August. The reason we wait a month to deduct our fee is to give you time to verify that the fee was calculated properly and to ask any questions you may have about it. *Please note that it is your responsibility to verify the accuracy of our fees. Your custodian will not do this for you.*

Other Fees and Expenses

We may invest some of your money in mutual funds. We would do this to add diversification to your account or to provide exposure to a market sector which may not otherwise be available directly at a reasonable cost. This is particularly likely for smaller accounts. Mutual funds charge their own fees, and we charge our fee based on your account value, so you would be paying two levels of advisory fees on your account, one directly to us and one to the mutual fund company.

You will also pay transaction fees to brokers to execute trades and other trade-related fees. These are described in more detail in the section headed "Brokerage Practices".

Refunds

You may cancel your Investment Management Agreement with us at any time, immediately, by giving us written notice. We may cancel our agreement with you by giving you a 60-day written notice. Your fees will be prorated to the termination date, and

we will return any unearned portion of your fees to you. For example, if services are terminated on September 1st, you will receive a refund of 1/3 of your quarterly fee.

Performance-Based Fees and Side-by-Side Management

Performance-based fees are fees assessed on capital gains or appreciation. We do not charge performance-based fees. Our investment services fees are based solely on assets under management.

Types of Clients

We provide investment advice to:

- Individuals.
- Pension and Profit Sharing Plans.
- Trusts, estates and charitable organizations.
- Other business entities.

The minimum account size for individually managed accounts is \$500,000. We may allow smaller accounts and may charge a 2% annual fee or a minimum of \$3,000 per year for accounts between \$100,000 and \$300,000. The minimum investment in the Bard Micro-Cap Value Fund is \$20,000.

Methods of Analysis, Investment Strategies and Risk of Loss

We choose investments for you by studying and analyzing many sources of information. Our fundamental approach to possible investments includes analyzing financial statements, management strengths, competitive advantages, industry conditions, and markets.

Our sources of information primarily include:

- Reports filed by companies with the SEC.
- Press releases.
- Annual reports.
- Research supplied to us by brokers or other third-party analysts.
- Financial newspapers, magazines and investment newsletters.
- Conference calls, meetings, and interviews with management.
- Investment conferences.
- Company site visits.

We employ a long-term, buy-and-hold strategy when we purchase investments for you. We prefer to hold our investments for years. We may also sell call options or buy put

options against long positions for some clients if we feel a sector is temporarily overpriced. Selling calls “captures” an options’ premium, whereas buying puts pays it.

We may employ “margin” borrowing in your direct account(s). (Margin is not allowed in IRAs.) The use of margin increases the risk of your account, so it is generally used sparingly. We also may sell securities short (selling borrowed stock in the hope that its price will decline). This technique was rendered tax-inefficient by a change in the tax law in 1997, so we have not used it since then. Still, it is theoretically available for short-term use.

When we choose company investments for your portfolio, we primarily use the stocks of smaller companies, because they provide higher returns. Smaller companies can grow faster than big ones. Investing in smaller companies entails risk. Such stocks will fluctuate, both up and down. When they go down, you lose money. We invest in all industries and buy value (cheap) stocks that have growth potential. We review your selected risk tolerance level before making any investments and use it to guide both the selection of small-company stocks and the mix of such stocks and defensive investments.

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

Disciplinary Information

Neither BAI nor its employees have been involved in any legal or disciplinary events relating to past or present investment advisory clients. Also, there are none pending.

Other Financial Activities and Affiliations

We can arrange to have your tax returns prepared upon request. The returns are prepared by a licensed Certified Public Accountant, who is an independent contractor for BAI.

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

Code of Ethics

Our Code of Ethics requires that every aspect of our business be conducted in a fair, lawful, and professional manner. We strictly obey the laws and regulations that govern the securities industry. We will only offer you investment management services that are appropriate for your needs and financial goals. We will always respect and protect your right to privacy. If we obtain confidential or proprietary information, we will not use it for personal gain or share it with others, except as required by law or specifically authorized by you.

Our Code of Ethics includes:

- Business conduct standards that we require of our employees to uphold our fiduciary obligation to you.
- Provisions requiring our employees to comply with applicable Federal securities laws.
- Policies and procedures related to reporting certain securities transactions and investment holdings of our employees.
- Policies and procedures for reporting violations of our Code of Ethics.
- Policies and procedures regarding gifts to employees.
- Procedures for the receipt and acknowledgement of our Code of Ethics by all employees.

All efforts are made to avoid actual or potential conflicts of interest. A copy of BAI's Code of Ethics is available to any client or prospective client upon request to the Chief Compliance Officer. Use the address and phone number shown on the cover page of this brochure.

Participation or Interest in Client Transactions and Personal Trading

Tim Johnson, President of BAI, is an active investor for his own account and for other accounts in which he or his immediate family members have a beneficial interest. He invests in the same securities as clients. Also, employees of BAI may invest in the same securities we purchase for you. There is a potential for a conflict of interest between these family/employee accounts and client accounts.

We want to manage this conflict of interest, so we have written policies and procedures that apply to all family/employee transactions. When a decision is made to buy or sell a given security, client accounts always get priority in making trades. A buy or sell program must be complete for all clients before the same transactions are made for family/employee accounts. The same goes for securities under active consideration for purchase or sale in client accounts.

There is a seven-day "blackout period" after transactions for family/employee accounts. This means that for seven calendar days after a family/employee trade, no similar trades will be made for client accounts unless the Chief Compliance Officer (CCO) gives written approval in advance. We might do this at times. As an example, assume we sold a particular company stock for some clients ending with family/employee accounts. If the stock price then went up significantly, we might want to sell more of its stock for the rest of our clients, and we might need to do that before the "blackout period" is over.

Our Chief Compliance Officer monitors all trades for all family/employee accounts on an ongoing basis to be sure we are in compliance with our policies and procedures. All of our employees must report all security transactions to the CCO every quarter. Our CCO reviews these reports to ensure ongoing compliance with our policies applying to family/employee transactions and Code of Ethics.

Another potential conflict of interest associated with trading involves cross transactions. Once in a while securities are “crossed” between clients, which means that one client sells the security to another client. All crosses always go through an independent, licensed, broker-dealer. These transactions are usually priced halfway between the bid and asked price and do carry brokerage commissions. This might happen if a client needs cash or needs to realize a tax loss, and the security doesn’t trade much or has a wide bid-ask spread.

Brokerage Practices

The securities we manage for you will be held at one or more brokers in “street name,” which means that they are held by the broker in its name for your benefit. This helps to protect your assets from being lost, misused or misappropriated. When you sign an Investment Management Agreement, we will discuss the selection of brokers with you. We consider many factors when recommending a broker to hold your investments.

These include:

- Commissions.
- Execution capability.
- Positioning and distribution capability.
- Back office efficiency.
- Ability to handle difficult trades.
- Financial stability.
- Prior performance.
- Special account features, such as check-writing and credit card availability, and cost.

We prefer to domicile your accounts at Charles Schwab & Company. Schwab has demonstrated that it can provide good execution of trades, useful and user-friendly system platforms for you and us, responsiveness to errors, accurate and timely reports, and low commissions. Currently, Schwab charges \$8.95 per trade for accounts willing to accept emailed confirmations and monthly statements and for all accounts worth more than \$1 million.

Some clients have asked that we use particular or preferred brokers to execute trades in their accounts. When we do this, our ability to execute trades at the best price or most efficiently may be limited or eliminated. If you direct us to use a particular broker, you may pay higher commissions or you may receive less favorable prices.

Sometimes we may direct trade commissions to particular brokers because they provide us with “soft dollar” benefits. In that case, we may pay more than the lowest commission available to compensate these brokers for these products or services. Examples of soft dollar benefits we receive at BAI include:

- Research reports and updates.
- Investment ideas.
- Access to company management.
- Invitations to investment conferences.
- Meetings with security analysts.
- Access to “hot” new issues.

We compensate brokers for soft dollar benefits through our Prime Brokerage Arrangement. This allows us to batch together all similar trades being done for qualifying Prime Broker accounts and have the block executed with any number of executing brokers. The minimum account size for Prime Broker accounts is \$100,000. The commissions paid for block trades will generally range from \$.02 per share to \$.06 per share, which is more than the same trade would cost at Schwab. There is also a per transaction fee (currently \$20 per trade) that is paid by Prime Broker clients. Clients can benefit from prime broker trading because execution is efficient and we can deal directly with the market maker in many cases. Clients do pay more in commission charges, though, which benefits BAI because we do not have to produce or pay for the research or other services. You should know that we may have an incentive to select a broker for a block trade based on our evaluation of the research and other services listed above.

If a block trade is executed at several different prices, or only part of a block trade is executed, we will allocate the most favorable prices on the executed portion as fairly as possible. The portion of a block trade executed each day, at each brokerage firm, will generally be allocated at an average price so that all clients in that block receive the same price. If the executing broker receives a commission, that charge will be shared pro-rata by all clients in that block. The prime broker fee is over and above this commission charge, and it is the same amount for each transaction.

If your account does not qualify for prime brokerage (less than \$100,000), you will not have the benefits of prime broker trades or access to hot new issues. However, you will not pay the higher commissions of trades done to compensate executing brokers. We use research and other services generally to benefit all clients, even those not paying up for commissions. There may be cases, however, in which research may be used to service only some accounts or the research may not be used in connection with the accounts paying the higher commissions.

Review of Accounts

We use a computerized system to track and value client portfolios. We input trade information every day and dividends and interest are posted automatically, as received or paid. We reconcile cash or debt balances to brokerage statements every month, and we reconcile securities positions to brokerage statements every quarter.

We monitor individual securities on a continuous basis, with particular scrutiny when quarterly earnings are announced or when company-specific announcements are made.

A cross-reference report is produced twice a week showing all client holdings of each security. We run this more often if necessary and we use it to evaluate all client holdings of a particular security if our monitoring indicates a significant change that warrants a review. We produce a full set of client account portfolio valuations twice each week and review them as appropriate. We calculate and review total investment performance for each account at the end of each month, following up with investigation and action as appropriate.

The President of BAI, Tim Johnson, is responsible for reviewing all accounts.

All clients receive written or emailed confirmations of purchases and sales in their accounts from their brokers on an ongoing basis. Brokers also send clients monthly statements showing all transactions for each account and month-end values. We send written evaluations to clients every quarter, or more frequently if requested. We provide clients with the following information for each security they hold in these written reports:

- Listing of each tax lot.
- Total cost and cost per share.
- Number of shares.
- Date of purchase.
- Current value, both total and per share.
- Percentage of portfolio that each position comprises.
- Annual income, both total for each position and per share.
- Percentage performance of each position, both since purchase and year to date.

This report also includes a cover letter describing our current view of the economy and markets, performance information, and a summary of recent purchase and sale activity.

We also produce an Account History once each year for each account and send that to clients. This report shows the results of the account since inception and shows account values at the end of each year, cash flow into and out of the account, and performance results, by year, compared to a relevant index.

We also produce and send an annual tax package for taxable accounts that details the capital gains and losses of the preceding year for each account. We check the 1099 provided by the custodian and send that to you, with any necessary adjustments.

Partners in the Bard Micro-Cap Value Fund receive two quarterly reports and two annual reports. Soon after the end of each quarter, they receive a “flash” report, giving the performance results of the Fund for the quarter and year-to-date period. Later in the quarter, they receive a two-page report about the Fund’s performance and selected

holdings. Each March, we send a K-1 to the partners of the Fund, which they need to prepare their tax returns. Finally, each March or April, we send the financial statements of the Fund, audited by a “Public Company Accounting Oversight Board” registered firm, together with a cover letter.

Client Referrals and Other Compensation

BAI does not pay any fees for referrals. At times, brokers may refer clients to us. These referrals may lead to an account for the client with the referring broker, where all trades for that client will be done by that broker. These trades will generate commissions for that broker that may be higher than those charged by the same broker to other BAI clients. These higher commissions could reflect the initial referral and other ongoing services the broker provides to the client.

One broker, who has referred clients to us, and his family are also clients of BAI. There is a potential conflict of interest between our incentive to please this client and our fiduciary duty to all of our clients. We seek to treat all clients the same despite this potential conflict of interest. This client receives no preferential treatment in investment selection or trade execution.

If we obtain a client through a broker referral, we may have a conflict of interest between our desire to obtain the best price and execution for trades and the benefits we may receive from future client referrals. We seek to put clients’ interests first, and do not consider broker referrals when executing trades.

We have established written policies and procedures regarding trade allocations to mitigate this potential conflict.

Custody

As described above, your assets managed by BAI are held at one or more brokers, otherwise known as the custodian, to protect your assets from being lost, misused, or misappropriated. We will not accept stock certificates or client funds under any circumstances. Any stock certificates must be sent directly to the custodian. Checks for deposit into a client’s account may be sent to us, but must be payable to the broker or client, not to BAI. We will promptly return any checks or certificates sent to us in error.

We are considered to have technical custody of client assets because of the following.

- In some cases, clients have granted us the authority to have our investment advisory fees withdrawn directly from their accounts, and
- BAI is the General Partner of the Bard Micro-Cap Value Fund L.P. As such, we have the authority to dispose of funds and securities in this account.

For accounts other than the Bard Micro-Cap Value Fund, you will receive monthly statements from your broker. You should carefully review those statements. When we send you our quarterly report, there is a reminder in the letter urging you to compare the account statements you receive from your custodian to that quarterly report.

Partners in the Bard Micro-Cap Value Fund do not receive monthly statements from the custodian. However, invoices for the Fund are approved in writing by our attorney.

Investment Discretion

When you sign an Investment Management Agreement with us, you grant us discretionary authority to purchase or sell investments for your portfolio. As noted above, we use the risk tolerance you select to set the mix of investments for your account. When you complete that profile, you have an opportunity to indicate any sectors, industries, or particular companies you do not wish us to invest in on your behalf.

Voting Client Securities

When you sign an Investment Management Agreement with us, you acknowledge that we will not take any action, or give any advice, with respect to the voting of portfolio securities. We do vote proxies for the Bard Micro-Cap Value Fund L.P. and we keep records of how we voted. This is available to partners of the Fund upon request. A copy of our Proxy Voting Procedures is also available from our Chief Compliance Office at your request.

Financial Information

The SEC requires that BAI disclose its own financial statements if BAI solicits prepayment of any fees six months or more in advance. BAI does not do this, so financial information about BAI is not required.