

Part 2A of FORM ADV: Firm Brochure

Item 1: Cover Page

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This brochure provides information about the qualifications and business practices of Friedlander & Co. If you have any questions about the contents of this brochure, please contact us at (414)273-0308 or friedco@earthlink.net. 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 Friedlander & Co. also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

Friedlander & Co.'s practices and the information contained in this brochure have not changed since the last annual update on March 16, 2011 with the sole exception of assets under management as detailed in Item 4-E on page 3 of this brochure..

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Item 4: Advisory Business

- A. Friedlander & Co. is an investment advisory firm and has been in business since April 1982. Theodore (“Pete”) Friedlander III is the President, sole owner and investment officer of the firm and personally supervises and reviews all accounts. Mr. Friedlander also serves as the firm’s compliance officer.
- B. Friedlander & Co. (“The Company”) serves as an investment adviser to separately managed individual accounts and to two funds, one structured as a limited partnership (The Friedlander Fund) and the other as a limited liability corporation (The Friedlander Value Fund).

The Company seeks long-term capital appreciation in its client portfolios and employs a value-oriented investment philosophy based on the work of Benjamin Graham. The Company seeks to identify and buy and hold securities which are significantly undervalued. However, we do from time to time invest in equities that would not be described as “value” stocks. The Company concentrates on equity securities and considers, among other factors, earnings, dividends, book value, net working capital, cash flow, private market value, and strength of management in choosing its investments. The Company engages in little, if any, short-term trading.

- C. Friedlander & Co. always tailors our advisory services to the individual needs of our clients. Clients may impose any restrictions they wish on the securities or types of securities in which they invest. This tailoring is accomplished through frequent personal communication with our clients and frequent review of each of our accounts. However, investors in the two funds mentioned in Item 4.B above have no opportunity to impose any investment restrictions.
- D. We do not participate in wrap fee programs.
- E. As of December 31, 2011, Friedlander & Co. manages \$84,533,845 of client assets on a discretionary basis and \$188,032,052 of client assets on a non-discretionary basis.

Item 5: Fees & Compensation

- A. The Company's fees are based on a percentage of the assets under management as calculated on the first day of each calendar quarter. Fees are negotiable, but the usual fee schedule is as follows:
- a. 0.9% annually of the first \$250,000 of assets per account
 - b. 0.75% annually of the next \$250,000 of assets per account
 - c. 0.5% annually of all assets over \$500,000 per account

Adjustments are made to the basic fee schedule to take into account a number of factors, including the nature of the assets; the type of analysis required to manage the account; the length of the client's relationship with us; family relationships; and the level of service required by the client. Adjustments to reduce fees are made for accounts with substantial bond and cash positions. Some non-supervisory accounts, including the Friedlander Fund and the Friedlander Value Fund, are charged an annual flat rate of 0.75% of the total asset value of the account. The Company's advisory agreement with the Friedlander Value Fund provides for an incentive fee payable to the Company based on a percentage of the net capital appreciation of the fund. The Company also has an arrangement with one family by which a set annual fee is charged for investment advisory services.

- B. The Company bills clients quarterly, in advance.
- C. The Company has an arrangement with one family where a set annual fee is charged for investment advisory services. The Company's advisory agreement with the Friedlander Value Fund provides for an incentive fee payable to the Company based on a percentage of the net capital appreciation of the Fund.

Clients trading securities or otherwise using brokerage services will incur brokerage and other transaction costs, in addition to our fees. For more information on brokerage fees, please consult Item 12 of this brochure (below).

- D. Fees are payable quarterly, in advance. Upon written notice of termination by either party, a pro rata refund will be promptly made to the client if termination occurs before the end of a quarter.
- E. The Company does not collect commissions or service fees or accept any compensation for the sale of investment products, nor do its principal or any of its supervised persons.

Item 6: Performance-Based Fees and Side-By-Side Management

As discussed in Item 5, the Company receives a performance-based incentive fee for investment advisory services provided to the Friedlander Value Fund. That fee is based on a percentage of the net capital appreciation of the Fund.

The Company provides advisory services to the Friedlander Value Fund, which is charged both a performance-based fee and an asset-based fee, as well as to accounts that are charged solely an asset-based fee. The Company addresses in several ways the potential conflict of interest created by managing those accounts at the same time.

First, the Company invests in substantially the same securities across all of the accounts we advise, regardless of fee structure. As a result, investment performance has historically been similar across all of our accounts, including the two funds we advise.

Second, the Company discloses our fee structure to investors and potential investors in the Friedlander Fund and the Friedlander Value Fund, as well as to investors in separately managed accounts (including the presence or absence of a performance-based fee).

Item 7: Types of Clients

We provide investment advice primarily to individuals and their related accounts (including trusts and individual retirement accounts), and to a small number of foundations. As noted above in Item 4.B, the Company also serves as investment adviser to two funds, one a limited partnership and the other a limited liability company.

Our usual minimum account size is \$3,000,000 (or a minimum annual fee of \$20,000). However, under certain circumstances, we may accept client accounts that have an asset value of less than that.

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

- A. The Company seeks long-term capital appreciation in its client portfolios and employs a value-oriented investment philosophy based on the work of Benjamin Graham. The Company seeks to identify and buy and hold securities that are significantly undervalued. However, we do from time to time invest in equities that would not be described as “value” stocks. The Company concentrates on equity securities and considers, among other factors, earnings, dividends, book value, net working capital, cash flow, private market value, and strength of management in choosing its investments. In addition to equity securities of exchange-listed companies, the Company also offers advice on securities traded over-the-counter; corporate debt securities; commercial paper; certificates of deposit; municipal securities; mutual fund shares; United States government securities; money market instruments; and interests in partnerships, closely held companies, and startups.

Investing in securities of any type involves risk of loss that the Company’s clients should be prepared to bear. In addition, the Company relies solely on the

investment expertise and business judgment of one person, and client interests may be placed at risk if Theodore Friedlander III becomes unable, for any reason, to provide investment advisory services. The Company has developed a contingency plan to deal with that possibility, but the associated risk cannot be eliminated.

- B. The Company invests in “value” stocks of companies of all sizes and industries, with a current concentration in stocks of the banking and financial services industry. The Company may be wrong in its assessment of a company’s value, and the stocks we recommend may not reach what we believe are their full values. Also, from time to time, “value” investment approaches fall out of favor with investors. During those periods, the Company’s relative performance may suffer. Prospective investors who are uncomfortable with an investment that may decrease in value should be aware of this risk.

The Company historically and currently has overweighted financial stocks in many of its portfolios. This is done with the full agreement of the clients who maintain those accounts. Nevertheless, this concentration in one industry sector has inherent risks of which clients must be aware.

The Company engages in little, if any, short-term trading. Frequent trading of securities is not part of our primary strategy. If a client were to direct the Company to engage in such trading in their accounts, the client should be prepared to bear the risk of worsened investment performance, whether through increased brokerage or transaction costs, taxes, or poor decision-making.

- C. The prices of the securities, particularly common stocks, in which the Company invests may decline for a number of reasons. The price declines of common stocks, in particular, may be steep, sudden, and prolonged. Clients must keep in mind that investing in common stocks entails a risk of permanent loss of capital.**

The Company invests in some accounts in small- and micro-cap stocks. The securities of smaller capitalization companies are often riskier than larger capitalization companies, and their share prices are often more volatile. The returns of smaller capitalization stocks may vary significantly from the returns of the overall market. Relative to large company stocks, the stocks of smaller or medium capitalization companies may be thinly traded and illiquid, and purchases and sales may result in higher transaction costs.

While bonds and other debt securities normally fluctuate less in price than common stocks, there have been extended periods of increases in interest rates that have caused significant declines in bond prices. In general, the value of bonds and other debt securities falls when interest rates rise. Longer term obligations are usually more sensitive to interest rate changes than shorter term obligations. Additionally, the issuers of the bonds or debt securities in which the Company invests may not be able to make interest or principal payments. Even if

able to make those payments, they may suffer adverse changes in financial condition that would lower the credit quality of the security, leading to greater volatility in the price of the security.

The Company's performance will also be affected by our ability to anticipate correctly the relative potential returns and risks of the asset classes in which the Company invests. For example, an account's relative investment performance would suffer if only a small portion of its assets were allocated to stocks during a significant stock market advance, and its absolute investment performance would suffer if a major portion of its assets were allocated to stocks during a market decline. Additionally, the Company may overweight or underweight certain companies, sectors, or industries, which may cause investment performance to be more or less sensitive to developments affecting those companies, sectors, or industries. Finally, since the Company intends to assume only prudent investment risk, there will be periods during which accounts underperform other advisers that are willing to assume greater risk.

Item 9: Disciplinary Information

There have been no disciplinary actions against the Company or any of its employees in the past ten years, including (a) any action by any domestic, foreign or military court; (b) any proceeding before the SEC or any other federal, state, or foreign regulatory agency; or (c) any proceeding before any self-regulatory organization.

Item 10: Other Financial Industry Activities and Affiliations

Neither the Company nor any of its affiliated persons is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of any of those entities.

C. Frederick Geilfuss is a limited partner in Friedlander Fund and Friedlander Value Fund, LLC and President of Ugly Fund Advisory Corp., which is the general partner in Friedlander Fund. John M. Olson is a limited partner in, and a director of, Friedlander Fund and is the manager of Friedlander Value Fund. Mr. Geilfuss is a partner, and Mr. Olson a retired partner, of Foley & Lardner LLP, which also serves as legal counsel to the Company.

The Company does not receive compensation from any other investment advisers, whether for referrals or any other reason.

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

We have adopted a Policies, Procedures & Code of Ethics ("the Code") which we will provide to any client or prospective client upon request. The Code prohibits the misuse of material non-public information by any persons associated with the Company. The Code also describes the supervisory structure of the Company and the required conditions

for trading in discretionary and non-discretionary accounts. Finally, the Code discusses fees, brokerage practices (including a Best Execution Policy), custody of client assets, policies for reporting to clients on assets under management, and a succession plan in the event of the principal's incapacity or the destruction of the Company's headquarters.

The Code discusses in detail that the Company, its employees and members of their families may establish positions in securities which are also recommended to clients. We are fully aware of the potential conflict of interest inherent in this situation, and act at all times with great care to place the interests of clients before those of the Company or its related persons. We are under no obligation to acquire for client accounts any securities that the Company or its principal or employees may acquire for their own accounts, if doing so is not practical or desirable.

Item 12: Brokerage Practices

- A. Our overriding objective in effecting portfolio transactions is to obtain the best combination of price, execution, and customer service. Commission rates are an important factor, but we also consider the full range and quality of a broker-dealer's services, including the value of research provided; quality of execution, clearance, and settlement capabilities with follow-through and support; our trust and confidence in the broker-dealer, including its integrity, financial stability, reliability, and competence; responsiveness to us; length and quality of the business relationship with us; and personal service to the client such as family cash management and assistance in transfers for charitable donations.

The Company employs a long-term, value-oriented investment strategy that results in extremely low portfolio turnover by current standards. As a result, commission rates and execution capabilities are not the only criteria by which we judge the value of a brokerage relationship to our clients. The Company has longstanding relationships with both its clients and its brokers, and believes that the existing execution process well serves its clients when all relevant factors are taken into consideration.

1. From time to time, certain broker-dealers who provide best execution also furnish investment research, such as analyses, reports concerning issuers, industries, and the economy to us for use in managing portfolios. The research provided includes both proprietary and third-party research. We may use these broker-dealers to effect securities transactions in return, in part, for investment research and ideas. Investment research furnished by broker-dealers is used in servicing all accounts and may not necessarily be used in connection with the accounts that paid commission to the broker-dealers providing such research.

When we use client brokerage commissions to obtain research, we receive a benefit because we do not have to produce or pay for the research. Thus, we may have an incentive to select or recommend a

broker based on the receipt of research, rather than the client's interest in receiving most favorable execution. No receipt of products, services, or compensation other than research information has any effect on the allocation of securities transactions.

2. The Company does not receive client referrals from broker-dealers, and thus does not consider the possibility of referrals in selecting or recommending broker-dealers.
3. Clients are asked whether they have a preference as to which broker should effect securities transactions. If there is no such preference, the Company will allocate transactions to brokers and dealers taking into consideration the best interests of the account and the value of an ongoing relationship with the broker or dealer. Unless the client specifies a commission rate to be paid on transactions, we will in good faith effect transactions at commission rates we believe to be reasonable and competitive. If a client directs us to a particular broker, we may not be able to obtain discounts or best execution, and a disparity in commission charges may arise between clients who direct us to a particular broker and those who do not.

- B. Where possible, we aggregate the purchase and sale of securities for various client accounts. However, client arrangements with brokers who also custody their accounts make aggregating impossible in many instances. Not aggregating can result in higher transaction costs to clients.

Item 13: Review of Accounts

The principal of the Company, Mr. Friedlander, personally reviews all client accounts on a continuing basis. Accounts are monitored and reviewed at least weekly, and there is continuous personal contact with clients, even those with discretionary accounts. Client accounts are under continuous review to maintain portfolios in line with the Company's investment methodology.

All clients are provided with a written quarterly statement of their accounts and summary of assets under management, and a written review to augment the report when desirable. More frequent account updates and specific information on individual securities are provided at a client's request. Investors in the Friedlander Fund and Friedlander Value Fund are also provided with a quarterly statement of the funds' accounts, along with a written narrative summary of the past quarter's results. Clients in individual accounts also typically receive a monthly account statement directly from the custodian (usually a brokerage).

The Company maintains a continuing dialogue with its clients to assure that assets under management are structured according to the individual client's needs and goals.

Item 14: Client Referrals and Other Compensation

- A. The Company has no arrangements with any non-clients in which we receive any economic benefit for providing investment advice or other advisory services.
- B. The Company and its related persons provide no direct or indirect compensation to anyone for client referrals.

Item 15: Custody

We do not maintain custody of client assets. Clients should compare account statements they receive from their brokerage or other custodian with those they receive from the Company.

Item 16: Investment Discretion

In several of our accounts, we have discretionary authority to manage assets. In other words, we make the decisions regarding the securities we will purchase and sell on behalf of that client. Individual account clients may set limits on this investment discretion in writing or in discussion with us, subject to agreement by the Company. For example, a client may specify certain securities, types of securities, sectors or industries they do not want held in their account. Investors in the Friedlander Fund and Friedlander Value Fund cannot set limits on our investment discretion.

The Company works very closely with clients so that discretionary transactions are made within the context of the needs of the individual client. In short, the discretionary power to make securities transactions is circumscribed both by any limitations imposed by the client and by the Company's judgment as to the needs and best interests of the client.

Discretionary authority over an account must be granted in writing, in advance, by the client. The Company also manages accounts over which it does not have discretionary authority.

Item 17: Voting Client Securities

The Company does not accept authority to vote client securities. Clients in separate accounts receive their proxies directly from the custodians of their accounts and may vote their own securities. Thus, the Company does not maintain proxy voting policies and procedures.

The only exception to the above is in the case of the Friedlander Fund and the Friedlander Value Fund. For the securities held in each fund, the fund manager or general partner votes the securities on behalf of the fund, often in consultation with the principal of the Company.

Item 18: Financial Information

- A. We do not require or solicit prepayment more than one quarter in advance.
- B. There are no financial issues that are likely to impair our ability to meet our contractual commitment to clients.
- C. We have not been the subject of a bankruptcy petition at any time during the past ten years.