

Part 2A of Form ADV: *Firm Brochure*

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This brochure provides information about the qualifications and business practices of Clark & Stuart, Inc. (hereinafter “Clark & Stuart” or “firm” or “we”). If you have any questions about the contents of this brochure, please contact us at 207-775-1140 or clarkandstuart@gmail.com. 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 Clark & Stuart is available on the SEC’s website at www.adviserinfo.sec.gov. You can search for Clark & Stuart using our CRD number: 107991.

Although Clark & Stuart, Inc. is a registered investment advisor, registration does not imply a certain level of skill or training or approval by the SEC or State securities authorities.

Item 2. Material Changes

In July 2010 the U.S. Securities and Exchange Commission (the SEC) adopted changes to Form ADV Part II. All fifty states have also adopted the new format, with some additional state-specific disclosures mandated. Also, investment advisory firms which have less than \$100 million of clients' assets under management have been moved from SEC registration to registration with State securities authorities. Clark & Stuart manages less than \$100 million and, therefore, is now subject to the licensing requirements and regulations of State securities authorities.

The new Part 2A of Form ADV, also known as the *Firm Brochure*, has 19 separate items that our firm must address, each of which requires disclosure on a distinct topic. Our disclosures must be presented in the order of the Items in the Form, using the same headings as in the Form. Our goal is to provide you with easy-to-understand "plain-English" disclosure in an easy-to-read format.

The new Part 2B of Form ADV, also known as the *Brochure Supplement*, includes information about the educational background, business experience, disciplinary and other information about personnel who provide investment advice to clients. The information contained in our *Brochure Supplements* is similar to the information requested in Item 19 of Part 2A.

Our current (updated) Form ADV Part 2 is also available to current and prospective clients through the SEC's Investment Adviser Public Disclosure website (www.adviserinfo.sec.gov.)

Each year, within 120 days of the end of our fiscal year (December), we will provide our clients with either: (1) a copy of our Form ADV Part 2 that includes or is accompanied by a summary of material changes, or (2) a summary of material changes that includes an offer to provide a copy of the current Form ADV Part 2.

We urge you to carefully review all subsequent summaries of material changes. They will contain important information about any significant changes to our investment advisory services, fee structure, business practices, conflicts of interest, and disciplinary history.

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Part 2B of Form ADV: *Brochure Supplements*

Charles S. Clark	A-1
Michael H. Stuart	A-3

Item 4. Advisory Business

Clark & Stuart, Inc. was founded in 1994 by Charles S. Clark and Michael H. Stuart. Mr. Clark has served as President of the firm and the principal contact for all clients since inception. Mr. Stuart serves as Secretary and Treasurer of the company and the principal investment research analyst and portfolio manager.

Mr. Clark and Mr. Stuart each own 50% of the firm. Clark & Stuart is committed to a long term future as an independent investment advisory firm which is 100% privately owned by the employees of the firm.

We offer investment management services to individuals, their families, small businesses and Not-for-Profit Institutions. We are engaged solely in the business of managing investment portfolios. We are not a broker-dealer and we do not participate in wrap fee programs.

We manage investment portfolios on a discretionary basis only. This means that all transactions which we implement for a client's account are executed without seeking the client's consent. A Discretionary Authorization is part of the Agreement (contract) which all clients must complete before we assume responsibility for managing their account.

As of December 31, 2011 the total assets we manage were over \$55,900,000.

We practice an approach to investing which is best characterized as "conservative-growth." We emphasize common stock investments in high quality and lower risk companies with a long record of consistent growth of profits and dividends. Our clients' portfolios are typically invested in 15-20 large capitalization companies. Annual portfolio turnover is low. Before signing an Agreement for our services, all clients are also asked to specify industries and companies in which their assets should not be invested.

We also manage balanced portfolios (equities and bonds) when fixed income securities are appropriate for the client. Our approach to fixed income securities emphasizes U.S. Treasury securities and highly-rated corporate bonds with maturities less than 10 years.

Our services are personalized and focused on the particular needs, objectives and constraints of the client. All portfolios are managed with consideration for the tax status, time horizon, risk tolerance and liquidity needs of the client. All clients' accounts are separate. We do not combine or co-mingle our clients' assets.

Item 5. Fees and Compensation

Investment Management Fees

Clark & Stuart offers its services for a fee which is based on the assets under management at the end of each calendar quarter with pro-rated adjustments for account contributions and withdrawals made during the quarter. Fees are not assessed until we have provided service to a client for at least one full calendar quarter.

Our normal management fee is 0.25% per quarter (approximately 1.0% per year) charged in arrears. Portfolios which are larger than \$1 million are assessed a reduced quarterly fee of 0.20% on the amounts over \$1 million. For Not-for-Profit institutions our fee is 0.125% per quarter (approximately 0.5% per year) charged in arrears. Fees are never assessed or collected in advance. Clark & Stuart, Mr. Clark and Mr. Stuart receive no compensation from any individual or firm other than our clients.

Our fee structure is not negotiable. However, we may offer fee adjustments in certain circumstances. For example, when determining our fee we may exclude the value of securities owned by the client prior to accepting our service if these securities have a very low cost basis and selling these securities would create a large and unnecessary tax obligation. Also, we may offer to manage the fixed income portion of a client's portfolio at no cost if the client's equity portfolio is greater than \$500,000.00.

Before signing an Agreement for our services, clients are asked to specify whether they would like to have management fees deducted from their accounts or make a separate payment. Most clients choose to have their fees deducted from their accounts. Fees are deducted by the custodian and transferred to the account of Clark & Stuart typically within the first two weeks after the end of a calendar quarter.

Brokerage and Custodian Fees

All clients are asked to specify the broker and custodian of their choice before signing an Agreement for our services. We recommend that our clients use Charles Schwab & Co. as their broker and custodian. Clark & Stuart is independently owned and operated and is not affiliated with Charles Schwab. Therefore, as noted above, all clients have the option to place their account with a broker and custodian other than Charles Schwab. For additional information about Brokerage Practices please see Item 12.

Clients will incur normal brokerage costs in connection with purchases and sales which we make on their behalf. These transactions costs are charged and collected by the broker at the time of a transaction. Clients may also incur custodial fees if they choose to keep their accounts with a custodian who charges a separate fee for that service. We do not share in any commissions, fees or other charges imposed by brokers and custodians.

Mutual Fund Fees

Clients may also incur fees for buying, selling and holding mutual funds within the accounts that they have placed under management at Clark & Stuart. Such fees are charged by the mutual fund and are described in the fund's prospectus. We do not share in any commissions, fees or other charges imposed by mutual funds. We do not recommend mutual funds and we do not purchase mutual funds unless requested to do so by the client.

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

Clark & Stuart does not assess or receive any fees based on a share of capital gains or capital appreciation of the assets of our clients. We receive no compensation other than the investment management fees discussed above.

Item 7. Types of Clients

Clark & Stuart offers investment management services to individuals, their families, small businesses and Not-for-Profit Institutions. For individuals we manage both taxable and tax exempt accounts (e.g. IRA's and 401K's). The minimum account size for new clients is \$400,000.00.

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

Methods of Analysis and Investment Strategy

Our investment strategy emphasizes common stock investments in high quality companies. We rely on our own proprietary and independent research to identify companies with long lasting competitive advantages in highly profitable businesses. Such companies have typically achieved consistent and superior growth of profits and dividends over many years.

We seek to purchase these high quality companies at stock market prices which are less than our assessment of their intrinsic value – that is, what the company is actually worth. This fundamental approach to investing rests on two assumptions: (1) in the short term, stock prices are influenced by many variables which may cause the stock price to differ significantly from the true value of the company, and (2) over the long term, the price of a stock will reflect the financial results of the company as determined by its profits and cash flow.

We practice traditional fundamental analysis of companies and industries. This means that we study and monitor the financial statements and reports of companies in which we invest as well as their competitors. We rely on several sources of publicly available information; including companies' reports on Forms 10K and 10Q of the SEC, newspapers and other periodicals. Meetings with the management of the companies in which we invest are also an important element of our research.

We are long term investors and we typically hold the companies we invest in for many years. We do not engage in market-timing strategies and our annual portfolio turnover is low. We typically invest in 15-20 companies. Most of these companies are well known and widely followed by other investors.

Risk of Loss

All investment strategies (including our own) involve risk, volatility and the possibility of loss. ***Any loss of value incurred in a client's investment account is borne entirely by the client.*** Clark & Stuart does not share in the capital gains or the capital losses of our clients.

Historically, certain financial assets (e.g. common stocks) have been more volatile than others (e.g. bonds). Volatility is, and should be, an important consideration; especially for older investors who may need to make frequent withdrawals from their investment accounts. An investment portfolio which is comprised of highly volatile securities presents the risk that losses may be realized if the client needs to make a withdrawal when market prices are temporarily depressed.

To mitigate volatility, most professional investors recommend a diversified portfolio in order to offset declines in some financial assets with gains in others. We agree that low volatility is an important objective and our clients' accounts are appropriately diversified. We own common stocks in several industries and stock market sectors and our clients' accounts are not overly concentrated in a single security, industry or market sector. However, some clients have asked us to manage smaller portfolios (e.g. the accounts of a children or grandchildren). These accounts may be concentrated in a very small number of securities and, therefore, are less diversified. Consequently, the value of smaller investment accounts may be more volatile in the short term.

Portfolio volatility can also be reduced by investing in common stocks which are typically less volatile than major stock market indexes such as the Standard & Poors 500 Index or the Dow Jones Industrial Average. Historically, the stock prices of companies which are less influenced by the ups and downs of the economy have been less volatile than the market indexes. Our investment strategy emphasizes investment in these types of companies.

Although diversification may reduce the *volatility* of a client's portfolio, diversification alone does not eliminate the *risk of loss*. A loss is realized when a security must be sold at a price less than the original cost. To minimize the probability of loss, investors must avoid buying securities when they are over-priced and selling when they are under-valued. We work to avoid such circumstances. Specifically, we anticipate our clients' needs for withdrawals from their accounts and we hold an appropriate amount of cash reserves for each client.

We also work to avoid selling securities when stock market prices in general are temporarily depressed and we work to inform all clients of the need to remain invested during such periods. However, if instructed by a client to sell securities amid adverse market conditions we will comply with those instructions. We will also inform the client if and when we disagree with those instructions.

Also, history has shown that even companies with a long history of steady financial results, and low stock price volatility, can incur a permanent adverse impact on their business and/or their competitive position. Such circumstances can lead to a long lasting decline in the value of the securities of these companies. We work to avoid investing in such companies by conducting our own investment research as discussed above. However, there can be no guarantee that we will in fact avoid investing in such companies and their securities.

Item 9. Disciplinary Information

Our firm has no legal or disciplinary events to disclose.

Item 10. Other Financial Industry Activities and Affiliations

Clark & Stuart is not a broker-dealer and the owner-employees of the firm, Charles S. Clark and Michael H. Stuart, are not registered representatives.

Clark & Stuart has a relationship with Schwab Advisor Services (formerly called Schwab Institutional), a subsidiary of Charles Schwab & Co. The majority of our clients have selected Schwab as broker-dealer and custodian for their accounts. When asked by clients to recommend a broker-dealer we often recommend Schwab. Clark & Stuart receives no compensation for recommending Schwab. Our relationship with Schwab is discussed in detail elsewhere in this brochure. (Please see Item 12 – Brokerage Practices).

Clark & Stuart also has relationships with firms in the accounting, law and insurance professions. These firms provide services to Clark & Stuart which are helpful to the operation of our business. However, these business relationships do not impact our investment management practices and decisions and they do not represent a conflict of interest with our clients. These affiliations are discussed below.

We employ the services of Herodes Financial, an accounting firm in Portland, Maine. Herodes Financial is owned and operated by Mr. Howard F. Herodes, a Certified Public Accountant. Mr. Herodes and members of his family are also clients of Clark & Stuart. Our relationship with Mr. Herodes does not create a conflict of interest with our clients. Our relationships with Mr. Herodes and other members of his family include the same fee structure and the same level of services as all other clients. When asked by our clients to recommend the services of an accountant we may recommend Mr. Herodes and his firm. We receive no compensation for recommending the services of Herodes Financial. Mr. Herodes may or may not recommend Clark & Stuart to his clients.

We employ the services of Bernstein Shur, a law firm in Portland, Maine. Mr. George F. Burns, an attorney with Bernstein Shur serves as Clerk for Clark & Stuart, Inc. Mr. Burns and members of his family have been clients of Clark & Stuart. Our relationship with Mr. Burns does not create a conflict of interest with our clients. Our relationships with Mr. Burns and other members of his family include the same fee structure and the same level of services as all other clients. When asked by our clients to recommend the services of a lawyer we may recommend Mr. Burns and his firm. We receive no compensation for recommending the services of Mr. Burns or Bernstein Shur. Mr. Burns may or may not recommend Clark & Stuart to his clients.

We employ the services of Clark Associates, an insurance agency in Portland, Maine. Employees, owners and retirees of Clark Associates are also clients of Clark & Stuart. Also, Clark & Stuart maintains an office in the same building as Clark Associates. Our relationship with Clark Associates does not create a conflict of interest with our clients. Our relationships with clients who are affiliated with Clark Associates include the same fee structure and the same level of services as all other clients. When asked by our clients to recommend the services of an insurance agency we may recommend Clark Associates. We receive no compensation for recommending the services of Clark Associates. Clark Associates may or may not recommend Clark & Stuart to its clients.

We may receive client referrals from the firms and individuals discussed above as well as other firms and individuals in the financial industry. However, we do not compensate any firm or individual for referrals and we do not solicit, receive or accept compensation from any firms or individuals whose services we may recommend.

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

Code of Ethics

Clark & Stuart has adopted a Code of Ethics consistent with the requirements of the Securities and Exchange Commission and State securities authorities. Our Code of Ethics sets forth high standards of conduct expected of all officers and employees. Our Code reflects the fiduciary obligations of all officers and employees, particularly Mr. Clark and Mr. Stuart, and requires compliance with Federal and State securities laws.

Our Code includes written policies and procedures that are reasonable designed to prevent the misuse of material non-public (“insider”) information. Specifically, our officers and employees do not seek material non-public information and will not buy or sell securities if they come into possession of such information.

Our Code also addresses conflicts of interest that may arise from personal trading by any “access person.” An “access person” is any director, officer or partner of an advisor. Mr. Clark, Mr. Stuart and Mrs. Clark (a non-employee Vice-President of the firm) are access persons. All access persons are required to report their personal securities transactions on an initial and ongoing basis and to obtain pre-approval of investments in private placements and initial public offerings.

We will provide a copy of our Code of Ethics to any client or prospective client who makes a request. Also, Mr. Clark, as a Certified Financial Planner, abides the Code of Ethics of the CFP Board of Standards. Mr. Stuart, as a Chartered Financial Analyst, abides the Code of Ethics & Standards of Professional Conduct of the CFA Institute.

Participation or Interest in Client Transactions

Clark & Stuart, Inc. and all officers and employees of the firm do not participate in investments with our clients. We do not buy securities from or sell securities to our clients.

Personal Trading

Mr. Clark and Mr. Stuart and members of their immediate families may invest in the same securities which we have purchased for our clients. This practice results in a potential conflict of interest because we may have an incentive to manipulate the timing of our personal transactions in order to obtain a better price than our clients. We abide several practices in order to avoid this potential conflict.

1. Mr. Clark and Mr. Stuart, and any other employees of our firm, may not purchase or sell a security within 3 days of purchases or sales that we have made for clients.
2. Mr. Clark and Mr. Stuart, and any other employees of our firm, may not purchase a security for their personal accounts, or the accounts of family members, until after the firm has purchased the security for all clients for whom it is deemed appropriate.
3. If the firm has decided to eliminate a security from all clients’ accounts, Mr. Clark and Mr. Stuart may not sell that security in their personal or family accounts until all sales have been completed for our clients.
4. Mr. Clark and Mr. Stuart will file a Personal Report of Securities Transactions each quarter when they have made transactions for the personal accounts or the accounts of family members for which they are responsible.
5. The personal and family accounts of Mr. Clark and Mr. Stuart are available for review by clients upon request.

Item 12. Brokerage Practices

The Custodian and Broker We Recommend

Clark & Stuart does not maintain custody of clients' assets; although we may be deemed to have custody for clients who have given us the authority to deduct management fees directly from their accounts. (Please see Item 15 – Custody). All clients' assets must be maintained at a "qualified custodian," generally a broker-dealer or a bank. We recommend that our clients use Charles Schwab & Co. as the qualified custodian.

We are independently owned and operated and are not affiliated with Schwab. Schwab will hold a client's assets in a brokerage account and will buy and sell securities when we instruct them to do so. Although we may recommend the custody and brokerage services of Schwab, the client decides whether or not to do so. The client will open their account with Schwab by entering into an account agreement directly with Schwab. We do not open accounts for clients, although we may assist them in doing so.

How We Recommend Brokers/Custodians

We recommend to our clients that they select a broker and custodian who will hold their assets and execute transactions on terms that are, overall, most advantageous when compared to other providers and their services. We consider a wide range of factors, including, among others:

1. Combination of transaction execution services and asset custody services, generally without a separate fee for custody.
2. Capability to execute, clear, and settle trades.
3. Capability to facilitate transfers and payments to and from accounts (e.g. capability for a client to transfer funds between their bank accounts and their Schwab accounts).
4. Breadth of available products.
5. Quality of services.
6. Competitiveness of the price of those services (e.g. commission rates).
7. Reputation, financial strength and stability.

We may receive client referrals from brokers and custodians, including Schwab, but such referrals would be incidental to our relationship. We have no agreements with Schwab or any other broker which includes brokerage commissions in exchange for referrals.

Brokerage and Custody Costs

For our clients' accounts that Schwab maintains, Schwab does not charge separately for custody services but is compensated by charging commissions or other fees on trades that it executes. Schwab's commission rates applicable to our clients are generally lower than our clients would incur on their own and competitive with the commission rates of other brokers. We do not execute trades at other brokers for clients whose accounts are maintained at Schwab because "trading away" will result in higher commission costs.

Most of our clients' trades are executed electronically through Schwab's secure on-line trading system. Schwab's system makes available to us in real time the prices of securities we are interested in buying or selling. Therefore, we have determined that having Schwab execute trades for our clients is consistent with our duty to seek "best execution" of all trades. Best execution means the most favorable terms for a transaction based on all relevant factors.

Products and Services Available to Us from Schwab

Schwab Advisor Services is Schwab's business serving independent firms like us. Schwab provides to Clark & Stuart, and to our clients, access to institutional brokerage – trading, custody, reporting, and related services – many of which are not available to Schwab retail customers. Schwab also makes available various support services which help us administer our clients' accounts.

Schwab's support services are generally available on an unsolicited basis (we do not request them) and at no charge to us as long as our clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. If our clients collectively have less than \$10 million in assets at Schwab, then Schwab may charge us quarterly service fees of \$1,200. We have over \$50 million in client assets under management, and we do not believe that recommending our clients to collectively maintain at least \$10 million of those assets at Schwab in order to avoid paying Schwab quarterly service fees presents a material conflict of interest.

Services That Benefit You

Schwab's institutional brokerage services include access to a broad array of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients.

Services That May Not Directly Benefit You

Schwab also makes available other products and services that benefit us but may not directly benefit clients and their accounts. These products and services assist us in managing and administering our clients' accounts.

Schwab's products and services include investment research, both Schwab's own and that of third parties. However, we do not use research provided by Schwab or any other broker-dealer and we do not use client brokerage commissions to obtain research.

Schwab also makes available software and other technology that:

1. Provide access to client account data (including account statements).
2. Facilitate trade execution.
3. Provide pricing and other market data.
4. Facilitate payment of our management fees from clients' accounts.
5. Assist with recordkeeping and client reporting.

Services That Generally Benefit Only Us

Schwab also offers other services intended to help us manage and develop our business. These services include:

1. Educational conferences and events.
2. Consulting on technology, compliance, legal, and business needs.
3. Publications and conferences on practice management and business succession.
4. Access to employee benefits providers, human capital consultants, and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the service. Schwab may also discount or waive its fees for some of these services or pay all or part of a third-party's fees. From time to time Schwab has also offered other benefits to us, such as occasional business entertainment.

We have made limited use of Schwab services that benefit only us and we have rarely accepted offers of business entertainment.

Our Interest in Schwab's Services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We do not have to pay for Schwab's services so long as our clients collectively keep a total of at least \$10 million of their assets in accounts at Schwab. Beyond that, these services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody.

The \$10 million minimum may give us an incentive to recommend that you maintain your account at Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our recommendation of Schwab as custodian and broker is in the best interest of all our clients. Our recommendation is primarily supported by the scope, quality, and price of Schwab's services and not Schwab's services that benefit only us.

Schwab's institutional brokerage service, as well as the software and technology provided by Schwab, have been a significant benefit to all our clients and our business.

Aggregating Orders

Schwab's electronic trading platform allows us to combine purchases or sales for several clients in a single transaction and then allocate the shares purchased or sold to clients' accounts. We may aggregate orders in certain circumstances. However, we typically do not aggregate equity transactions. Our normal practice is to implement separate equity trades for each client after a careful examination of each client's portfolio and the impact on their portfolio of buying or selling a certain security. Aggregating orders for equity trades allows many clients to receive the same price, but it does not necessarily result in the best price. Aggregation also does not reduce transaction costs because each client still incurs normal commissions on the shares purchased or sold for their accounts.

Aggregation of fixed income transactions may result in better prices on purchases and sales. However, we rarely aggregate fixed income transactions simply because very few of our clients have asked us to manage balanced accounts for them and because fixed income securities represent a very small fraction of the total assets that we manage.

Item 13. Review of Accounts

Formal client reviews are conducted when requested by the client or initiated by Clark & Stuart. Factors that prompt Clark & Stuart to initiate a review include a large contribution of additional assets to the investment account that we are managing and/or a significant change in the client's personal circumstances (e.g. retirement, death of a spouse, new employment). Also, we attempt to meet in person with all clients at least once every 12-18 months. Reviews are conducted by either Mr. Clark or Mr. Stuart or both depending on the preference of the client. Reviews will vary depending on the agenda of the client. All reviews are personal and confidential.

The purposes of a client review are:

1. To discuss the client's needs, objectives and constraints, and their tolerance for risk.
2. To assure that their portfolio is being managed accordingly.
3. To discuss investment results.
4. To discuss particular securities held in their accounts.
5. To discuss how we might improve our service to the client.

All clients receive a quarterly appraisal of their investment portfolio. These include:

1. A Portfolio Statement which lists the securities held in their account, the cost basis, current value, and unrealized gains and losses.
2. A Portfolio Performance Review which accounts for all contributions, withdrawals, realized gains, unrealized gains, interest income, dividend income, management fees, total investment gain or loss, and rate of return.

The quarterly appraisal for the final quarter of each calendar year will also include:

1. An Income Statement which accounts for all income received in their account and listing the name of the payer, date received and amounts.
2. A Statement of Realized Gains and Losses which includes, for every security sold, the description, quantity, date acquired, date sold, net proceeds, total cost and the amount of gain or loss.

All statements are in tabular format and do not include written reports. Clark & Stuart does not provide to clients a written annual report.

Item 14. Client Referrals and Other Compensation

Clark & Stuart does not compensate any individual or firm for client referrals and we do not solicit, receive or accept compensation from any individual or firm whose services we might recommend to our clients.

We receive an economic benefit from Charles Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above in Item 12 – Brokerage Practices. The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

As noted above (please see How We recommend Brokers/Custodians), we may receive client referrals from brokers and custodians, including Schwab, but such referrals would be incidental to our relationship. We have no agreements with Schwab or any other broker which includes brokerage commissions in exchange for referrals.

Item 15. Custody

Under government regulations, we are deemed to have custody of clients' assets if, for example, our clients authorize us to instruct their custodian (e.g. Schwab) to deduct our management fees directly from their accounts. Clark & Stuart does not have actual custody of client funds or securities. Actual custody is provided by the broker-dealer or other financial institution selected by the client. For most of our clients, Schwab is the actual custodian of their assets.

The custodian provides account statements directly to the client at least quarterly. Schwab provides statements on a monthly basis. The statements are sent to the email or postal mailing address provided by the client to Schwab. We recommend that our clients review the statements from their custodian carefully and promptly. Also, we urge them to compare the statements they receive from us with the statements they receive from their custodian and to report any discrepancies to us and to the custodian immediately.

Item 16. Investment Discretion

Clark & Stuart manages all clients' accounts with discretion. As noted in item 4, a separate Discretionary Authorization is part of every client Agreement and must be signed by the client at the time they complete an Agreement for our services. Before signing an Agreement for our services, clients may place limits on our discretionary authority by specifying industries, companies and securities in which their assets are not to be invested.

Item 17. Voting Client Securities

Clark & Stuart does not have, and does not accept, authority to vote client securities. All clients will receive their proxies and other solicitations directly from their custodian or the transfer agent for the issuer of the securities. Clients are always welcome to contact us by telephone or email (see contact information on the cover page of this brochure) with questions regarding proxies or other solicitations.

Item 18. Financial Information

Clark & Stuart does not require or solicit prepayment of management fees. Accordingly, we are not required to provide a balance sheet or other representation of the firm's financial position. However, we will provide our balance sheet to any client or prospective client who requests it. Our balance sheet is prepared in accordance with generally accepted accounting principles by an independent public accountant.

Our firm has no debt and our cash balance is always more than adequate to meet our operating expenses each quarter. We know of no circumstances that are likely to impair our ability to meet our commitments to our clients.

Item 19. Requirements for State-Registered Advisers

Charles S. Clark and Michael H. Stuart are the principal executive officers and management persons of Clark & Stuart. The formal educations and business backgrounds of Mr. Clark and Mr. Stuart are outlined below.

Charles S. Clark

Education: B.S. Economic-Finance, Bentley College, 1978

Experience: Clark & Stuart, Inc., President, 1994 to present
Clark Associates, personal financial adviser, 1985-1993
E.F. Hutton, stockbroker, 1978-1985

Designation: Certified Financial Planner (CFP), 1990.

Michael H. Stuart

Education: B.S. Economic-Finance, Bentley College, 1978.
Master of Urban Affairs, Virginia Tech, 1980.

Experience: Clark & Stuart, Inc., Secretary & Treasurer, 1994 to present.
CIGNA Corporation, securities analyst and portfolio manager, 1984-1993.
First National Bank of Boston, securities analyst, 1981-1984.

Designation: Chartered Financial Analyst (CFA), 1991.

Mr. Clark and Mr. Stuart are not engaged in any other business activity other than managing investment portfolios for the clients of Clark & Stuart.

Mr. Clark and Mr. Stuart are owners and employees of Clark & Stuart. Their annual salaries are determined by the revenue which the firm generates through the investment management fees discussed in Item 5. Neither Mr. Clark nor Mr. Stuart receives any compensation derived from performance-based fees.

Neither Mr. Clark, nor Mr. Stuart, nor Clark & Stuart, Inc. has ever been found liable in an arbitration claim, a civil lawsuit, an administrative proceeding, or an action by a self-regulatory organization.

Neither Mr. Clark, nor Mr. Stuart, nor Clark & Stuart, Inc. has a relationship or arrangement with any issuer of securities.

Part 2B of Form ADV: *Brochure Supplement*

Supervised Person: **Charles S. Clark**

2385 Congress Street
Portland, Maine 04102-1932

Clark & Stuart, Inc.
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March 23, 2012

This brochure supplement provides information about Charles S. Clark that supplements the Clark & Stuart, Inc. brochure. You should have received a copy of that brochure. Please contact Charles Clark or Michael Stuart if you did not receive Clark & Stuart's brochure or if you have any questions about the contents of this supplement.

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

Item 2. Educational Background and Business Experience

Name: Charles S. Clark
Date of Birth: 10/1/1954

Education: B.S. Economic-Finance, Bentley College, 1978

Experience: Clark & Stuart, Inc., President, 1994 to present
Clark Associates, personal financial adviser, 1985-1993
E.F. Hutton, stockbroker, 1978-1985

Designation: Certified Financial Planner (CFP), 1990.

Item 3. Disciplinary Information

There are no legal or disciplinary events in Mr. Clark's background which require disclosure.

Item 4. Other Business Activities

Mr. Clark is not engaged in any other investment-related business or occupation.

Item 5. Additional Compensation

Mr. Clark receives no compensation apart from his salary with Clark & Stuart.

Item 6. Supervision

Charles S. Clark and Michael H. Stuart are the Principal executive officers and the owners of Clark & Stuart, Inc. At this time, Mr. Clark and Mr. Stuart are the only employees of Clark & Stuart. Accordingly, Mr. Stuart and Mr. Clark supervise each other and monitor the advice provided to clients by sharing the contents of all reviews and conversations with clients.

Item 7. Requirements for State-Registered Advisers

Mr. Clark has never been found liable in an arbitration claim, a civil lawsuit, an administrative proceeding, or an action by a self-regulatory organization. Mr. Clark has never been the subject of a bankruptcy petition.

Part 2B of Form ADV: *Brochure Supplement*

Supervised Person: **Michael H. Stuart**

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March 23, 2012

This brochure supplement provides information about Michael H. Stuart that supplements the Clark & Stuart, Inc. brochure. You should have received a copy of that brochure. Please contact Charles Clark or Michael Stuart if you did not receive Clark & Stuart's brochure or if you have any questions about the contents of this supplement.

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

Item 2. Educational Background and Business Experience

Name: Michael H. Stuart

Date of Birth: 1/20/1956

Education: B.S. Economic-Finance, Bentley College, 1978.
Master of Urban Affairs, Virginia Tech, 1980.

Experience: Clark & Stuart, Inc., Secretary & Treasurer, 1994 to present.
CIGNA Corporation, securities analyst and portfolio manager, 1984-1993.
First National Bank of Boston, securities analyst, 1981-1984.

Designation: Chartered Financial Analyst (CFA), 1991.

Item 3. Disciplinary Information

There are no legal or disciplinary events in Mr. Stuart's background and business experience.

Item 4. Other Business Activities

Mr. Stuart is not engaged in any other investment-related business or occupation.

Item 5. Additional Compensation

Mr. Stuart receives no compensation apart from his salary with Clark & Stuart.

Item 6. Supervision

Charles S. Clark and Michael H. Stuart are the Principal executive officers and the owners of Clark & Stuart, Inc. At this time, Mr. Clark and Mr. Stuart are the only employees of Clark & Stuart. Accordingly, Mr. Stuart and Mr. Clark supervise each other and monitor the advice provided to clients by sharing the contents of all reviews and conversations with clients.

Item 7. Requirements for State-Registered Advisers

Mr. Stuart has never been found liable in an arbitration claim, a civil lawsuit, an administrative proceeding, or an action by a self-regulatory organization. Mr. Stuart has never been the subject of a bankruptcy petition.