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This brochure provides information about the qualification and business practices of Ancora Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 216-825-4000, or by email at compliance@ancora.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 Ancora Advisors, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Ancora Advisors LLC is a registered investment advisor. Registration of an investment advisor does not imply a certain level of skill or training.

January 1, 2012

Material Changes

Material Changes since the Last Update

The Securities and Exchange Commission adopted amendments to Part 2 of Form ADV effective October 2010. The newly revised Part 2 consists of Part 2A (the "Brochure") and Part 2B (the "Brochure Supplement"). Each update of the Brochure must now include a summary of all material changes since the last annual update.

Sharing of Capital Gains or Capital Appreciation (Page 10)

The Ancora Merger Arbitrage Fund LP is a new investment partnership (hedge fund investment) that can be purchased on a subscription basis only. Ancora Advisors shares in performance based fees for this investment which is disclosed in the Confidential Private Offering Memorandum (CPOM) that each qualified investor receives and should read prior to investing.

Material Relationships or Arrangements with Financial Industry (Page 14)

Ancora Advisors is now the advisor and General Partner to a new hedge fund. The new fund is named the Ancora Merger Arbitrage Fund LP.

Recommend Securities with Material Financial Interest (Page 16)

Ancora Advisors has added information that discloses that Denis Amato is a member of the Board of Director of Mace Security International, Inc.

Research and Other Services (Page 17)

This section has been revised and updated to more accurately reflect our directing brokerage transactions for research provided to Ancora Advisors relating to our affiliated mutual funds and hedge funds.

Third Party Solicitors (Page 19)

We may pay individuals or other organizations (solicitors) for client referrals and to introduce potential clients to the Ancora Merger Arbitrage Fund LP, if the individuals or organizations meet qualifications and have entered into a solicitation agreement with Ancora Advisors.

This Brochure, dated January 1, 2012 replaces our Form ADV Part II and Schedule F dated July 20, 2011.

Full Brochure Availability

The Firm Brochure for Ancora Advisors LLC is available by contacting Joseph Spidalieri at (216) 825-4000 or by e-mail at compliance@ancora.net or by visiting our web site at www.ancora.net/adv.

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Advisory Business

Firm Description

Ancora Advisors, LLC is an investment advisor registered with the SEC. We specialize in customized portfolio management for individual investors, high net worth investors, investment companies (mutual funds), pooled investments (hedge funds/investment limited partnerships), pension/profit sharing plans, corporations, charitable & “Not-for Profit” organizations, and unions.]

Principal Owners

Richard A. Barone, Chairman of Ancora Advisors founded the firm in January 2003. Ancora Advisors LLC is wholly owned by The Ancora Group, Inc. The Ancora Group Inc. is an employee owned company. The principal owners of the Ancora Group are Frederick DiSanto, Richard Barone, James Bernard, and Denis Amato.

Types of Advisory Services

At Ancora Advisors, LLC , our objective is to develop customized portfolios that meet your goals, we implement strategies for asset allocation and selection of specific investments. We provide customized portfolio recommendations based on your investment parameters, time horizon, risk tolerance, and return objectives. We offer personal consultations where you may want advice on a particular issue in the area of finance and investments. We are available to consult on other matters, such as mergers acquisitions and other types of corporate finance. Our services may include both internally managed accounts and selective allocations to external investments, such a private equity investments.

We will advise you on any type of investment in your portfolio at the inception of or relationship based on our understanding of your particular needs.

If one or more of your accounts is a plan subject to ERISA we ask that you appoint Ancora Advisors, LLC as investment advisor for the purpose of ERISA. We will need to have copies of the trust agreement and any amendments governing the operation and administration of plan assets. We do not provide advice for assets outside the plan and will not vote proxies for securities held in the plan. We ask that you take steps to name Ancora Advisors LLC as a fiduciary in the plan's ERISA fidelity bond covering the account

Tailored Relationships

Ancora Advisors, LLC will work with clients to make customized portfolios and provide advice for special situations and needs.

Client Assets

We manage your accounts on a discretionary basis or a non-discretionary basis depending on your preference. As of December, 31, 2011, we managed \$1,531,332,788 in client assets on a discretionary basis and \$2,069,555,379 on a non-discretionary basis.

Fees and Compensation

Management fees are based on the value of assets managed and fees are calculated as a percentage of assets under management. Fees are negotiable.

Description

Fees are based upon the client's total relationship with Ancora Advisors. Holdings of the Ancora Family of Mutual Funds are excluded from client's quarterly billing values.

Equity Managed Strategies

Covered Styles:

Large Cap Value

Small Cap Value

Micro Cap Value

All Cap Value

Asset Allocation

Balanced

Estate Planning

Global Macro

Covered Call

High Yield Equity

<u>Total Relationship</u>	<u>Annual Advisory Fee</u>
On the first 1 million	1.00%
On the next 2 million	0.85%
On the next 2 million	0.70%
On the next 5 million	0.60%
On the next 10 million	0.50%
Over 20 million	Negotiable

Fixed Income Managed Strategies

Covered Styles:

Fixed Income – Taxable

Fixed Income – Taxable Aggregate

Fixed Income - Tax Exempt

Hybrid Income

Fixed Income – Blended

Fixed Income – Short Duration
Bond

<u>Assets Under Management</u>	<u>Annual Advisory Fee</u>
On the first 1 million	0.75%
On the next 2 million	0.50%
On the next 2 million	0.40%
On the next 5 million	0.30%
On the next 10 million	0.20%
Over \$20 million	Negotiable

Wealth Management Strategy

<u>Assets In Account</u>	<u>Annual Consulting Fee</u>
On the first 2 million	0.70%
On the next 3 million	0.60%
On the next 5 million	0.50%
On the next 10 million	0.40%
Over \$20 million	Negotiable

Ancora may reduce or waive its fees for organizations qualifying under 501C(3) of the IRS Code.

Minimum Fee \$1,000.00 per quarter

Fee Billing and Fees Paid in Advance

Fees are charged quarterly (1/4 of annual fee) in advance based upon the value of assets managed based valuations done by the client's custodian or other pricing services at the end of each calendar quarter.

When you sign your management agreement you may authorize Ancora Advisors to invoice your custodian or broker dealer to deduct your management fees. By signing this "Letter of Authorization" or similar document, you authorize your custodian to automatically deduct the management fees from your account and send them to Ancora Advisors. If your account does not have sufficient cash to or money market funds balance to cover the fees or is restricted from you may deposit additional funds (subject to certain restrictions for IRA account and qualified retirement plan accounts) or make payment in an alternative method acceptable to Ancora Advisors. If you do not deposit additional funds to your account or make the payment in another manner, securities in your account will be sold in an amount sufficient to cover the fees due. Your account custodian or broker dealer statement will reflect the date and the amount deducted from your account.

If you elect to pay Ancora Advisors directly for management fees, you will receive a quarterly invoice with instructions on where to mail your payment.

Clients that open accounts after the beginning of a quarter will be charged in arrears at the end of the quarter. This means you will receive two bills at the next quarter end. One bill for the portion of the quarter their money has been invested and a second bill for the quarter for their quarterly management fee consistent with all other customers.

Ancora Advisors does not charge prorated fees for funds that are deposited to an existing account during the quarter.

Other Fees and Charges

Our management fees are separate from charges assessed by third parties such as broker dealers, custodians and mutual fund companies. Brokerage and other transaction costs charged by broker dealers executing transactions and custodians maintaining your assets are in addition to the management fees and are not negotiable. Mutual funds, variable annuities and or other platforms charge may assess other fees and expenses such as 12B-1 fees or commissions in connection with the placement of your funds.

Under the Traditional Schedule noted above, Ancora Securities will provide execution at competitive commission rates and both Ancora Capital and Ancora Securities will provide additional services at no cost to Ancora Advisors.

Terminating Advisory Services

Clients may terminate their advisory contract with Ancora Advisors in writing to Ancora Advisors, LLC at any time. We recommend you use a mail service where a signed receipt is required. Fees will be refunded through the end of the calendar quarter. Ancora Advisors may terminate relationships with clients, in writing, upon 30 days notice and will refund fees through the end of the calendar quarter. Your death will not terminate the Investment Management Agreement or authority granted to Ancora Advisors until we have received actual written notification of your death.

Additional Compensation

If your broker dealer is Ancora Securities, you will be charged commissions on your trades at a level intended to cover commission charges that are charged to Ancora Securities by Pershing LLC. Because you are an investment advisory client we do not pay your investment advisor representative commissions on investment advisory transactions. If you have a brokerage account with Ancora Securities that is not an investment advisory account, our representative may receive commissions but Ancora will not charge you an investment advisory management fee.

Performance-Based Fees & Side-by-Side Management

Sharing of Capital Gains or Capital Appreciation

As a general rule Ancora Advisors does not accept performance based fees – that is fees based on a share of the capital gains or appreciation of the assets of the client.

The only exception to this policy is that Ancora Advisors can receive performance based fees for the performance of Merlin Partners LP, the Ancora Greater China Fund LP, and the Ancora Merger Arbitrage Fund LP. These are investment partnerships (hedge fund investments) that are purchased on a subscription basis only. The performance based fees for these investments are disclosed in the Confidential Private Offering Memorandum that each investor receives and should read prior to investing.

Types of Clients

Description

Ancora Advisors, LLC provides portfolio investment advisor services for individual investors, high net worth investors, investment companies (mutual funds), pooled investments (hedge funds/investment limited partnerships), pension/profit sharing plans, corporations, charitable & “Not-for Profit” organizations, and unions.

Account Minimums

Each client account must be a minimum of \$1 million unless related to other accounts which together total \$1 million. In instances where there is reason to believe there may be additions to the account to bring it to \$1 million, this minimum may be waived. Certain clients may have accounts less than \$1 million if they have been clients of Ancora Portfolio Managers before January 1, 2003. The minimum amount to establish an asset allocation account is \$100,000.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Equity Methods of Analysis

Ancora's valuation screening focuses on two situations:

1. Companies trading at a significant discount to their liquidation or going-concern value. Certain issues may trade below tangible book value. This can occur in times of broad market pessimism or wall street concentration with a company's near-term outlook. Other companies have hidden assets that are not reflected in the company's financial statements, such as investments in private companies or understated real estate values, which, if properly valued on the balance sheet, would result in the company trading at a discount to tangible book value. Ancora works to understand catalysts that will unlock the value of the target company's assets, although Ancora will also buy based on a company being too cheap to ignore.
2. Companies trading sufficiently below the calculation of intrinsic value based on Ancora's "Normalized Return" analysis to provide potential total return of 50% or more over a three year time horizon.

Sell decisions are based on valuation, risk and portfolio guidelines. As individual stocks approach their intrinsic value and decline in their relative attractiveness, they become candidates for sale. Other sell decisions may occur because of deterioration in the fundamentals that supported the initial investment. Automatic sales are initiated as position exposures approach diversification guidelines. Proceeds from sales are reinvested in companies that are more attractively valued based on the purchase disciplines.

Fixed Income Methods of Analysis

Our Fixed Income strategy employs a top down approach with emphasis on sector allocation as our primary value added tool. We are primarily an up in quality manager emphasizing higher rated corporate issues and higher classes of structured products. We attempt to add value in security selection by emphasizing either smaller issues or less liquid issues which tend to not trade as efficiently as do benchmarked/index eligible holdings. Our research efforts in these names are internally generated and rely on various research sources including street generated research and other sources.

Our taxable fixed income approach utilizes all the investment grade debt market sectors. We do not utilize non-investment grade securities in any of our managed accounts. In addition, because of the risk adverse nature of our firm and the majority of the clients we represent, we restrict our fixed income buying to bonds rated A- or higher by one or more of the major rating agencies. By not buying BBB rated bonds we believe we have a "buffer zone" for potential downgrades of an issue before we would face a non-investment grade issue in our portfolios. If a bond is ultimately downgraded to non-investment grade (i.e. BB+/Ba1) a sale is not required. However, we do tend to error on the conservative side and will often sell while BBB if possible.

Ancora typically holds 30 to 80 positions and limits individual corporate issuers to no more than 3% of the portfolio and our typical duration profile is no more than or less than 20% above or below the duration of the applicable index.

Wealth Management Methods of Analysis

Ancora Advisors, LLC has nine models within their Wealth Management asset allocation strategy. The strategies make use of ETFs with low index tracking error, mutual funds, bond and common stock to achieve true asset diversification across eight (8) asset classes; Cash, Fixed Income, US Large Cap, US Small Cap, Real Estate Commodity/Inflation, International and Emerging Markets. The nine models are allocated a percentage on each asset class based on the client's need of Capital Preservation or Capital Appreciation or the need to balance between these two objectives.

As Ancora clients, you will have full transparency to see how we carefully select and monitor your model and what securities are being used in your account. We rebalance client portfolios on a mutually agreed upon schedule to ensure that the original allocation is preserved.

Investment Strategies

Ancora Advisors manages portfolios for clients in 17 separate categories; 1) Large Cap Value 2) Small Cap Value 3) All Cap Value 4) Hybrid Income 5) Balanced 6) Asset Allocation 7) Fixed Income – Taxable 8) Fixed Income – Taxable Aggregate 9) Fixed Income – Tax Exempt 10) Global Macro 11) Estate Planning 12) Wealth Management 13) Micro Cap Value 14) Fixed Income – Blended 15) Fixed Income – Short Duration Bond 16) High Yield Equity 17) Covered Call

Large Cap Value – The Large Cap Value Strategy contains U.S. traded equities, with superior long-term total return potential. Securities in this composite tend to be well-established, recognizable leaders in their industry with typical market capitalizations in excess of \$500 million.

Small Cap Value – The Small Cap Value Strategy contains U.S. traded equities, which offer substantial returns with corresponding greater risks. Securities will tend to be of companies with "micro" and small capitalizations.

All Cap Value – The All Cap Value Strategy consists of the combination of Large Cap Value and Small Cap Value Strategies as defined above. Depending upon the best opportunities available, as perceived by the Ancora portfolio manager, portfolios at various times will consist of a greater weight being placed on one category over the other and vice versa.

Hybrid Income – The Hybrid Income Strategy has an investment objective of obtaining a high level of income, with a secondary objective of capital appreciation in the value of its holdings. The Hybrid Income Strategy pursues these objectives by investing primarily in income-producing securities, including securities of closed-end funds having portfolios consisting primarily of income-producing securities, and equity securities.

Balanced – The Balanced Strategy consists of some combination of asset allocation to Cash, Equity and at least 10% to Fixed Income. Ancora managers will decide the specific ratio into which each portfolio is divided among these three categories, based upon available opportunities and general market conditions.

Asset Allocation – The Ancora Asset Allocation Strategy seeks to achieve long-term growth for clients. Ancora will allocate client assets using exchange traded funds and in certain instances, mutual funds, including the Ancora Family of Mutual Funds. Examples of the types of funds in which Ancora may invest include: (i) exchange-traded funds that reflect certain market or market capitalization averages, (ii) exchange-traded funds that utilize underlying basket of securities in certain industries, (iii) exchange traded funds that invest in specific countries or regions of the world, and (iv) mutual funds, including the Ancora Family of Mutual Funds. Ancora will use these vehicles to take advantage of perceived short and long-term trends and mispricing in certain industries and countries in a cost-effective and efficient manner.

Fixed Income – Taxable – The Fixed Income – Taxable Strategy seeks to provide a real return over a long period of time to commensurate with the risk profile of the portfolio. The Fixed Income – Taxable Strategy pursues these objectives by investing primarily in income-producing securities.

Fixed Income – Taxable Aggregate – The Fixed Income – Taxable Aggregate Strategy seeks to provide a real return over a long period of time to commensurate with the risk profile of the portfolio, and with a duration profile more in line with the Barclay's Aggregate Bond Index. The Fixed Income – Taxable Aggregate Strategy pursues these objectives by investing primarily in income-producing securities, while seeking to minimize tax consequences for the portfolios.

Fixed Income – Tax Exempt – The Fixed Income – Tax Exempt Strategy seeks to provide a real return over a long period of time to commensurate with the risk profile of the portfolio for tax-exempt portfolios. The Fixed Income – Tax Exempt Strategy pursues these objectives by investing primarily in income-producing municipal securities.

Global Macro – The Global Macro Strategy consists of a combination of asset allocation to Cash, Commodities, Foreign Currencies, Equity, and Fixed Income. Ancora managers will decide the specific ratio into which each portfolio is divided among these categories, based upon available opportunities and general market conditions. The Global Macro Strategy may also use option based strategies to hedge against market turbulence.

Estate Planning – The Estate Planning Strategy will focus on estate planning needs including producing securities such as municipal bonds, preferred stocks, government and corporate bonds, covered call writing and income producing equities with a secondary mandate for growth.

Wealth Management – The Wealth Manage Aggressive Strategy contains a combination exchange traded funds (ETFs), mutual funds, common stock and bonds which offer broad diversification with an emphasis on equity securities and capital appreciation.

Micro Cap Value – The Micro Cap Strategy contains U.S. traded equities, which offer substantial returns with corresponding greater risks. Securities will tend to be of companies with "micro" and capitalizations typically less than \$500 million.

Fixed Income - Blended – The Fixed Income Blended Strategy will contain accounts that are a blend between the Fixed Income Taxable and Fixed Income Tax Exempt strategies. These accounts are either "cross over" buyers or for other reasons have an allocation of investment grade fixed income assets.

Fixed Income – Short Duration Bond – The Short Duration Strategy seeks to provide a real return over a long period of time commensurate with the risk profile of the portfolio. The Short Duration Strategy pursues these objectives by investing primarily in income producing securities with a shorter duration profile with a maximum duration of 2.5 years. Securities held in this strategy should be investment grade credits with average credit quality ratings of single A or better.

High Yield Equity - The High Yield Equity Strategy invests in equities including preferred stocks with above average current yield.

Covered Call - The Cover Call Strategy contains U.S. and foreign traded equities, with superior risk/return characteristics. Securities in this composite tend to be well established, recognizable leaders in their industry with typical market capitalizations in excess of \$5 billion. An option writing strategy will be implemented in order to achieve an income stream over and above the underlying dividend yield. For diversification purposes, ETF's and mutual funds will be utilized. Under normal circumstances at least 50% of the portfolio will consist of individual equities with fixed income securities representing no more than 20% of the account.

Depending upon market conditions and the availability of attractive investment opportunities, Ancora may hold cash or money market funds in lieu of, or as part of each category.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. Investment values will fluctuate both up and down, are subject to market volatility, and may be worth more or less than the original cost. All securities risk the loss of principal. In addition, while we believe our methodology and strategies will be profitable, there is no assurance this will always be the case.

While your brokerage account may allow margin transactions, we generally do not recommend the use of margin. We want you to understand the risks of margin transactions and recommend that you read your broker dealer's written disclosure document describing margin trading and its related risks. Some recommendations may include option transactions or options trading. Here again, we want you to understand the risks involved when trading options and recommend that you read "Characteristics and Risks of Standardized Options" published by the Options Clearing Corporation. We will be happy to answer any questions you may have related to margin and options.

Disciplinary Information

Legal and Disciplinary

Registered Investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Ancora Advisors, LLC and the integrity of our management of your assets. We have no information that applies to this item.

Other Financial Industry Activities and Affiliations

Broker-dealer or Registered Representative

Ancora Advisors, LLC is an affiliate of Ancora Securities, Inc. Ancora Securities Inc is a registered general securities broker dealer and Member of FINRA and SIPC. Many of our representatives are also registered as registered representatives of Ancora Securities. Our staff members registered with Ancora Securities may receive separate commission based compensation when they act as brokers.

Ancora Advisors, LLC is also affiliated with Safeguard Securities, Inc. Safeguard Securities Inc is a dual registrant broker dealer and investment advisor. Ancora Securities Inc is a registered general securities broker dealer and Member of FINRA and SIPC. Safeguard Securities is also registered with the SEC as an investment advisor. Ancora Advisors LLC does not have any Safeguard registered representatives as investment advisor representatives. Ancora Advisors does do portfolio management for clients that are referred to the company by Safeguard Securities, Inc.

Ancora Advisors, LLC is also affiliated with Arbor Court Capital LLC. Arbor Court Capital LLC Inc is a limited insurance securities product broker dealer and Member of FINRA and SIPC.

Material Relationships or Arrangements with Financial Industry

Ancora Advisors LLC serves as investment manager for the Ancora Trust (also known as the Ancora Family of Mutual Funds). Ancora Advisors LLC investment managers serve as portfolio managers and co-portfolio managers for the Ancora Income Fund, Ancora Equity Fund, Ancora MicroCap Fund and the Ancora Special Opportunities Fund. In addition, Ancora Advisors staff and staff members of affiliated companies serve as officers and/or provide services to the Ancora Trust.

Ancora Advisors serves as the advisor to Merlin Partners LP, Ancora Greater China Fund LP and the Ancora Merger Arbitrage Fund LP. These entities are investment partnerships. In addition, Ancora Advisors is the general partner of Merlin Partners LP, Ancora Greater China Fund LP and Ancora Merger Arbitrage Fund LP.

Recommend or Select Other Investment Advisers

Ancora Advisors is the majority owner of C.N.M. Management, LLC. C.N.M. Management, LLC is an Investment Adviser that serves as the investment advisor for Eli Investment Partners, L.P. an investment limited partnership. Ancora Advisors' clients may be solicited to invest in this investment partnership by the General Partner of Eli Investments.

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

Code of Ethics

Ancora Advisors LLC has adopted a formal Code of Ethics. This Code of Ethics includes requirements to make sure that we meet our fiduciary responsibilities which include the following subjects:

1. Definition of Terms
2. Standard of Conduct & Statement of General Fiduciary Principles
3. Protecting Inside Information
4. Restrictions of Personal Investing
5. Reporting Personal Securities Transactions and Accounts
6. Monitoring Personal Securities Transactions
7. Administration of the Code of Ethics and Violations
8. Acknowledgement of Code of Ethics

Ancora Advisors will provide a copy of our Code of Ethics to clients and prospective clients upon request. To obtain a copy contact Joseph Spidalieri at (216) 825-4000 or by e-mail at compliance@ancora.net.

Recommend Securities with Material Financial Interest

Denis Amato was elected to the Board of Directors of Mace Security International, Inc. a public company that trades on NASDAQ under trading symbol "MACE". At the time of Mr. Amato's election to this Board of Director positions, accounts managed by Ancora Advisors LLC owned shares of Mace Security International, Inc. A conflict of interest may exist because; 1) Mr. Amato in his capacity as a Portfolio Manager for Ancora Advisors LLC has a fiduciary obligation to advisory clients and 2) as a Director for this company, Mr. Amato has an obligation to take action in the best interest of the company and their shareholders. In addition, there may be instances where Mr. Amato in his position as a Director could become knowledgeable of material non-public information. If this situation occurs, Mr. Amato as a Portfolio Manager of Ancora Advisors would be unable to purchase or sell securities related to MACE until that information would become public information (information that is available to the general public). These self imposed black-out periods could cause Ancora Advisors to miss market opportunities in MACE perceived to be available to investors of the general public.

Richard Barone was elected to the Board of Directors of The Stephan Company, a public company that trades on the American Stock Exchange (AMEX) under trading symbol "TSC" and Mace Security International, Inc. a public company that trades on NASDAQ under trading symbol "MACE". At the time of Mr. Barone's election to these Board of Director positions, accounts managed by Ancora Advisors LLC owned shares of The Stephan Company and Mace Security International, Inc. A conflict of interest may exist because; 1) Mr. Barone in his capacity as a Portfolio Manager for Ancora Advisors LLC has a fiduciary obligation to advisory clients and 2) as a Director for these companies, Mr. Barone has an obligation to take action in the best interest of the companies and their shareholders. In addition, there may be instances where Mr. Barone in his position as a Director could become knowledgeable of material non-public information. If this situation occurs, Mr. Barone as a Portfolio Manager of Ancora Advisors would be unable to purchase or sell securities related to MACE and/or TSC until that information would

become public information (information that is available to the general public). These self imposed black-out periods could cause Ancora Advisors to miss market opportunities in MACE and TSC perceived to be available to investors of the general public.

Frederick DiSanto was elected to the Board of Directors of PVF Capital Corp, a public company that trades on NASDAQ under trading symbol "PVFC". At the time of Mr. DiSanto's election to the Board of Directors, accounts managed by Ancora Advisors LLC owned shares of PVF Capital Corp. A conflict of interest may exist because; 1) Mr. DiSanto in his capacity as a Chief Executive Officer for Ancora Advisors LLC has a fiduciary obligation to advisory clients and 2) as a Director for this company, Mr. DiSanto has an obligation to take action in the best interest of the company and their shareholders. In addition, there may be instances where Mr. DiSanto in his position as a Director could become knowledgeable of material non-public information. If this situation occurs, Ancora Advisors would be unable to purchase or sell securities related to PVF Capital Corp until that information would become public information (information that is available to the general public). These self imposed black-out periods could cause Ancora Advisors to miss market opportunities in PVF Capital Corp perceived to be available to investors of the general public.

Invest in Same Securities Recommended to Clients

On occasion, Ancora Advisor representatives may also buy or sell securities that they recommend to clients or may recommend securities transactions in which a related persons may have some financial interest. This practice would create a conflict of interest if the transactions were structured to trade on market impact caused by recommendations made to our clients. Our Code of Ethics and Personal Securities Trading Policy requires that personal securities transactions receive pre-approval. When we are conducting trades for our client accounts in a particular security, we do not approve employee transaction requests until client trades are completed for the day. Personal Securities Transactions are reviewed by our Compliance Group daily. Compliance also reviews quarterly Personal Securities Transaction Reports that our staff are required to complete and submit related to personal securities transactions.

Personal Trading Policies

Ancora Advisors has a formal a Personal Securities Trading Policy. As part of this policy we require that our employees and affiliated persons submit all personal trading requests to the firm portfolio managers for approval prior to placing our personal transactions. Employees submit their personal securities transaction report quarterly to the compliance department.

Brokerage Practices

Selecting Brokerage Firms

You are free to select any broker dealer for your brokerage account. We recommend Ancora Securities for your brokerage account and Pershing LLC as your account's custodian. Most of our representatives are registered as registered representatives of Ancora Securities, Inc. This relationship provides our representatives with access to Pershing's investment advisory platform, as well as software that facilitates; order creation, client management, compliance, accounting and performance measurement.

If you choose Ancora Securities for your brokerage account you will be asked to sign an addendum to our Advisory agreement which lists the commissions charged by Ancora Securities.

While Ancora Advisors believes they will be able to serve each account best if their assets are with Ancora Securities, Ancora Advisors will manage assets held with any custodian.

Research and Other Services

Ancora Advisors may direct brokerage for research in a “soft dollar” relationship for the Ancora Funds, Merlin Partners LP, Ancora Greater China Fund LP and Ancora Merger Arbitrage Fund LP. However, most research is done internally and the trades are directed based on the custodian or broker dealers known to be buying or selling particular securities.

Ancora Advisors does not direct brokerage for research in a “soft dollar” relationship for individually managed clients.

Brokerage for Client Referrals

Ancora Advisors does not engage in the practice of directing brokerage trades to outside broker dealers for client referrals.

Directed Brokerage

In most cases Ancora Advisors directs trades based on each client’s direction. Typically, our trades are placed directly with the client’s custodian. In some cases, trades may be done with Ancora Securities and settled with the client’s account at another broker dealer as part of a COD transaction. This is always done per the client’s instruction.

Order Aggregation

Most transactions for each client account are entered on a transaction-by-transaction basis. If we decide to purchase or sell the same securities for several clients at approximately the same time, we might combine (otherwise known as aggregating or batching transactions) for these orders. Ancora does through the use of an average price account. By aggregating orders of the same securities, we may be able to obtain a better overall execution price. In addition, we may be able to obtain lower transaction costs that might or might not have been obtained had multiple orders been placed independently. When aggregating trades in the average price account the brokerage firm generally averages the price and charges one commission per client per security. We receive no additional compensation, fees or remuneration from the aggregation of client trades in an average price account.

Review of Accounts

Periodic Reviews

Portfolio Managers formally review each portfolio at least semiannually. The frequency and level of review is determined by the complexity of your portfolio, changes in economic or market conditions, tax law and your individual situation.

It is recommended that we meet with clients at least twice a year to review and go over their account(s) with them in person.

Review Triggers

Portfolio managers informally review portfolios at least monthly. When any security held by clients should be sold, accounts are reviewed immediately; either just prior to or after the security is sold. When any

security is bought for clients, accounts are reviewed immediately; either prior to or just after the security is purchased.

Portfolio managers handle a maximum of 100 client relationships.

Regular Reports

The broker dealer handling your account or custodian sends you account statements at least quarterly, but usually monthly. These Account statements show money balances, securities held in the account, investment values and transactions made. Ancora Advisors also sends out quarterly reports that include the same information noted above and other information such as performance of your investments. We encourage you to review and compare the brokerage account statements with your Ancora Advisors quarterly reports. If you see a discrepancy, please contact your investment representative and bring it to their attention.

Client Referrals and Other Compensation

Economic Benefits

For the benefit we receive from Ancora Securities and Pershing LLC see the “Brokerage Practices” section above.

Third Party Solicitors

We may pay individuals or other organizations (solicitors) for client referrals and to introduce potential clients to Ancora Advisors, LLC if the individual or organizations meet qualifications and have entered into a solicitation agreement with Ancora Advisors. Solicitors will only be used for obtaining clients for the Merlin Partners LP (an investment limited partnership), Ancora Greater China Fund LP (an investment limited partnership) or the Ancora Merger Arbitrage Fund LP (an investment limited partnership). Solicitors will not solicit clients for any other products or services of Ancora Advisors, LLC. Compensation to the solicitor is a percentage of our management fees. The individual (solicitor) is required to provide a written statement describing the compensation paid to him/her or the organization they represent. A solicitor is not permitted to offer investment advice on behalf of Ancora Advisors. Client obtained through this referral process do not pay higher fees than clients not obtained through referrals. This means that no additional fees or charges will be charged to the client because of the solicitor relationship.

Custody

Account Statements

The broker dealer or custodian handling your account sends you account statements at least quarterly, but usually monthly. These Account statements show money balances, securities held in the account, investment values and transactions made.

Investment Discretion

Discretionary Authority for Trading

Most client give Ancora Advisors LLC discretion over the selection, amount and timing of securities to be bought and sold. This means that the portfolio manager or advisor representative may purchase or sell securities consistent with your investment objectives without contacting you prior to entering the transaction.

Limited Power of Attorney

Investment authority may be subject specific investment objectives and guidelines and/or conditions imposed by you. For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of your portfolio or you may have restriction or prohibitions of transactions in the securities of a specific company industry such as no tobacco stocks. Please detail any such specifications or exception in writing prior to engaging our services.

Voting Client Securities

Proxy Voting

As a general rule, most clients will receive their proxy voting materials and will vote their proxies. In instances where the client has entered into an agreement with the firm or has taken actions to direct proxies to Ancora Advisors to be voted, we have adopted a proxy voting policy which is reasonably designed to ensure that proxies are voted in the best interests of our clients, consistent with stated investment objectives, in accordance with our fiduciary duties and in accordance with SEC Rule 206(4)-6 of the Investment Advisors Act of 1940.

Where there is no relevant, inconsistent stated investment objective, Ancora will vote proxies relating to the following substantive matters as described with respect to each matter in the formal policy. Where a proxy proposal is presented which is not listed in the policy, the advisor will vote in accordance with the most similar applicable policy, or on a case-by-case basis in the manner which will maximize the client's investment return. If the advisor identifies a conflict of interest and has no general proxy voting policy on the matter presented, we will take other reasonable steps to help assure that the votes cast are in the client's best interests.

The proxy voting policy is premised on the following principles:

- maximization of each investment's return is the primary component of the client's best interests;
- good corporate governance will help maximize investment returns;
- increasing shareholder involvement in corporate governance will help maximize investment returns;
- antitakeover defenses inhibit maximization of investment returns; and
- self-dealing by or conflicts of interest of company insiders are not in the client's best interests.

Unless the client provides specific written instructions to Ancora Advisors, the advisor will vote proxies according to its policy under the authority granted by the client.

A copy of the firm's proxy voting procedures are available upon request. Clients may obtain information on how their proxies and/or proxy voting procedures by writing the firm or contacting Joseph Spidalieri at (216) 825-4000 or by e-mail at compliance@ancora.net to request this information.

Financial Information

Prepayment of Fees

Fees for your investment advisor services are charged quarterly in advance based upon the value of assets managed based valuations done by the client's custodian or other pricing services at the end of each calendar quarter. We do not require more than one quarter of pre-paid fees.

Financial Condition

Ancora Advisors LLC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients.

Bankruptcy

Ancora Advisors LLC has not been subject to a bankruptcy proceeding.

Requirements for State-Registered Advisers

This item does not apply to Ancora Advisors LLC.
