

Part 2 of Form ADV: *Brochure*

Item 1. Cover Page

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This brochure provides information about the qualifications and business practices of Tucker Hargrove Management, Inc. If you have any questions about the contents of this brochure, please contact us at 610-891-1444 or email at tuckerhargrove@comcast.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 Tucker Hargrove Management, Inc. Also is available on the SEC's website at www.adviserinfo.sec.gov.

This brochure is being filed for the first time in the new format. Much of the information contained in this brochure was filed in prior annual filings with the SEC.

<i>Item 1.</i>	<i>Cover Page</i>	<i>Page 1</i>
<i>Item 2.</i>	<i>Material Changes</i>	<i>Page 2</i>
<i>Item 3.</i>	<i>Table of Contents</i>	<i>Page 3</i>
<i>Item 4.</i>	<i>Advisory Business</i>	<i>Page 4</i>
<i>Item 5.</i>	<i>Fees and Compensation</i>	<i>Page 5</i>
<i>Item 6.</i>	<i>Performance-Based Fees and Side-By-Side Management</i>	<i>Page 6</i>
<i>Item 7.</i>	<i>Types of Clients</i>	<i>Page 7</i>
<i>Item 8.</i>	<i>Methods of Analysis, Investment Strategies and Risk of Loss</i>	<i>Page 8-10</i>
<i>Item 9.</i>	<i>Disciplinary Information</i>	<i>Page 11</i>
<i>Item 10.</i>	<i>Other Financial Industries Activities and Affiliations</i>	<i>Page 12</i>
<i>Item 11.</i>	<i>Code of Ethics, Participation/Interest in Client Transactions & Personal Trading</i>	<i>Page 13</i>
<i>Item 12.</i>	<i>Brokerage Practices</i>	<i>Page 14</i>
<i>Item 13.</i>	<i>Review of Accounts</i>	<i>Page 15</i>
<i>Item 14.</i>	<i>Client Referrals and Other Compensation</i>	<i>Page 16</i>
<i>Item 15.</i>	<i>Custody</i>	<i>Page 17</i>
<i>Item 16.</i>	<i>Investment Discretion</i>	<i>Page 18</i>
<i>Item 17.</i>	<i>Voting Client Securities</i>	<i>Page 19</i>
<i>Item 18.</i>	<i>Financial Information</i>	<i>Page 20</i>
<i>Item 19.</i>	<i>Requirements for State-Registered Advisers</i>	<i>Page 21</i>

- A. Tucker Hargrove Management, Inc.** is an independent investment counseling firm registered with the S.E.C. under the Investment Advisers Act of 1940, and doing business as such since November, 1992. The firm's sole product is investment advice. The firm's president is David R. Hargrove.
- B. Tucker Hargrove Management, Inc** provides investment supervisory services and portfolio management with an emphasis on common stocks based on a fundamental value philosophy where the firm determines a stock's fundamental value through an in-depth analysis of a company's sustainable earning power, growth potential, dividend paying ability, cash flow characteristics and balance sheet factors.
- C.** From time to time, clients may impose restrictions on investing in certain securities or types of securities, such as specific industries, individual companies or securities types.
- D. Tucker Hargrove Management, Inc.** manages investment advisory accounts on a discretionary basis under wrap fee programs sponsored by Wells Fargo Securities. Tucker Hargrove Management, Inc. does not manage wrap fee account differently from non-wrap accounts.
- E.** Assets Under Management (*as of December 31, 2010*):

	<u>Dollar Amount</u>	<u>Total No. of Accts</u>
Discretionary:	\$19,848,176	32
Non-Discretionary:	<u>\$11,304,761</u>	<u>3</u>
Total:	\$31,152,937	35

- A. The majority of Tucker Hargrove Management Inc.'s business is the discretionary management of investment advisory accounts based on the fee schedule shown below.

RATE	ASSET
1.00%	On the first \$2 million
0.75%	On the next \$3 million
0.50%	On the next \$5 million
Negotiable thereafter	

Supervisory accounts are typically billed a flat quarterly fee.

- B. At Tucker Hargrove Management, Inc. some clients have fees deducted directly from their portfolios. In these cases Tucker Hargrove Management, Inc. bills the custodian who pays the fee. A copy of the bill is also sent to clients. Other clients pay the fees separately following a quarterly billing.
- C. Clients will incur brokerage and other transactions costs depending on their custodian. Please see **Item 12. Brokerage Practices**, page 13 for additional information.
- D. Fees are payable on the account's market value at the end of the previous quarter. The investment management agreement may be terminated by either party at any time by written notice. Fees are prorated to the date of termination and any unearned portion or prepaid fees is refunded to the client.

This item is not applicable.

Tucker Hargrove Management, Inc provides investment supervisory services and portfolio management for:

- Individuals (includes trusts, estates, 401k plans and IRAs of individuals and their family members.)
- High net worth individuals
- Pension and profit sharing plans
- Charitable organizations

The minimum value requirement for starting an account is \$100,000, there is no minimum for maintaining an account.

Investment Objective

Tucker Hargrove Management, Inc.'s investment objective is to achieve superior returns on a consistent basis without exposing capital to excessive risk. Our focus is on total return, of which a growing stream of dividends is an important component. We aim for long-term results and do not attempt to guess the unpredictable short-term swings in stock prices through market timing. We are convinced that consistently superior results are preferable to occasional spectacular performance. The portfolios we manage are typically focused on common stocks, although portfolios balanced between stocks and fixed income securities are managed for those requiring higher income and greater stability of principal.

Investment Philosophy

"Search for discrepancies between the *value* of a business and the *price* of a small piece of that business in the market."

Warren Buffett

Tucker Hargrove Management, Inc. adheres to a fundamental value philosophy reflected in the preceding quote. While much of Wall Street's attention is focused on quarterly earnings comparisons, momentum and short-term developments, we determine a stock's fundamental value through an in-depth analysis of a company's sustainable earning power, growth potential, dividend paying ability, cash flow characteristics and balance sheet factors.

Careful attention to the price paid for an investment is central to our fundamental value philosophy. Utilizing our price discipline, we attempt to take advantage of the emotional swings in the stock market by purchasing stocks at a discount to fair value and selling them when they are overvalued. Our fundamental value approach is flexible: it extends beyond mere statistical selection of stocks with low P/E ratios and high yields and accommodates all classes of stocks.

We prefer companies which consistently demonstrate above average profitability, possess the ability to reinvest capital at attractive rates of return and are run by managers committed to shareholder interests. However, we do not ignore unpopular companies. The discounted valuations typically placed on the stocks of good companies encountering temporary difficulties provide excellent investment opportunities when a company has the resources to overcome its problems. We generally shun turnaround situations as our experience indicates that a long-established record of inferior profitability is extremely hard to break.

Portfolio Structure

Primary emphasis is on individual stock selection. Portfolios contain approximately 30 holdings which are diversified across many industries and balanced between consistent growth companies, value stocks and smaller capitalization stocks. This combination produces a portfolio which provides a reasonable level of current income and over time generates an increasing dividend stream and capital appreciation. Portfolios are generally fully invested with cash reserves not exceeding 30%.

Approximately **50% of the portfolio is invested in a core group of companies with above average growth and profitability.** We seek to purchase these stocks when their P/E multiples do not fully reflect the companies' above average earnings and dividend growth potential.

Roughly **35% of the portfolio is invested in stocks which sell at a substantial discount to our estimate of fundamental value,** although the companies may be more cyclical or slower growing than the core holdings. These stocks provide a high current yield, modest dividend growth and the opportunity for capital gains when profitability is in a rising trend.

The **remainder of the portfolio consists of smaller companies which are leading factors in high growth markets.** We purchase the shares of proven companies with high profitability when they sell at low multiples relative to their sustainable growth rates.

All investments involve risk. Tucker Hargrove Management, Inc. seeks to reduce risk by thorough analysis, careful selection, and portfolio diversification. There is a risk that clients could lose money in investments selected by Tucker Hargrove Management, Inc. This risk may increase during times of significant market volatility. The following risks could affect the value of Tucker Hargrove Management, Inc.'s client portfolios:

1. **General Market Risk** – General market risk is the risk that the market value of a security may fluctuate, sometimes rapidly and unpredictably. These fluctuations may cause a security to be worth less than its cost when originally purchased or less than it was worth at an earlier time. General market risk may affect a single issuer, industry, sector of the economy or the market as a whole. Recently, the financial markets have experienced a period of extreme stress which has resulted in unusual and extreme volatility in the equity markets and in the prices of individual stocks. In some cases, the prices of stocks of individual companies have been negatively impacted even though there may be little or no apparent degradation in the financial conditions or prospects of that company. These market conditions may add significantly to the risk of short term volatility of portfolios managed by Tucker Hargrove Management, Inc.

2. Equity Risk – Tucker Hargrove Management, Inc. portfolios are subject to equity risk. This is the risk that stock prices will fall over short or extended periods of time. Although the stock market has historically outperformed other asset classes over the long term, the stock market tends to move in cycles. Individual stock prices may fluctuate drastically from day to day and may underperform other asset classes over an extended period of time. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies may suffer a decline in response. These price movements may result from factors affecting individual companies, industries or the securities market as a whole.
3. Portfolio Turnover Risk - Tucker Hargrove Management, Inc. seeks to reduce the risk and correspondingly higher expenses and the tax consequences associated with high turnover by holding securities for the longer term. However, the Tucker Hargrove Management, Inc. does not impose any specific limitations on portfolio turnover.
4. Foreign Securities Risk – Foreign investments, including ADRs and similar investments, may be subject to more risks than U.S. domestic investments. These additional risks may potentially include lower liquidity, greater price volatility and risks related to currency transactions and adverse political, regulatory, market or economic developments.
5. Investment Style Risk – Different investment styles tend to shift in and out of favor depending upon market and economic conditions as well as investor sentiment. Value stocks are those that are undervalued in comparison to their peers due to adverse business developments or other factors. Value investing carries the risk that the market will not recognize a security's inherent value for a long time, or that a stock judged to be undervalued may actually be appropriately priced or overvalued. Value oriented funds may underperform when growth investing is in favor.
6. Debt Security Risk – Debt securities are subject to the risk that their market value will decline because of rising interest rates. The price volatility of a debt security depends on its maturity, generally the longer the maturity the greater its sensitivity to changes in interest rates. To compensate investors for this higher risk, debt securities with longer maturities generally offer higher yields than debt securities with shorter maturities. Debt securities are subject to credit risk. Credit risk is the possibility that an issuer will fail to make timely payments of interest of principal, when due. Securities rated in the lowest investment grade category have some risky characteristics and changes in economic conditions are more likely to cause issuers of these securities to be unable to make payments.

There are no legal or disciplinary events pending against Tucker Hargrove Management, Inc. or any of its employees.

Tucker Hargrove Management, Inc. manages discretionary investment advisory accounts under wrap fee programs sponsored by Wells Fargo Securities based on the fee schedule described in Item 5.

Tucker Hargrove Management, Inc. requires all personnel to read and sign the firm's Code of Ethics governing its fiduciary obligations under the investment Advisers Act of 1940. All personnel must submit a complete list of the securities they hold when they first begin.

Each quarter every employee completes a report of transactions in all securities other than United States Government obligations for their own account, accounts or immediate family members, and any other accounts in which the employee has a direct or indirect beneficial interest (unless the employee has no "direct or indirect influence or control" over the account). All reports are reviewed by the President of the firm, who will bring any questionable transactions to the Board of Directors, which will take appropriate actions where necessary.

Tucker Hargrove Management, Inc. employees may invest in the same securities or related securities that it recommends to clients subject to the following rules:

1. We will not purchase any security or buy a "call" on any security if we have knowledge that it is under consideration for addition to our client portfolios, or for a period of two weeks after it has been added to portfolios.
2. We will not sell any security for a period of at least one month after it has been added to our client portfolios.
3. We will not sell any security or buy a "put" on any security if we have knowledge that it is under consideration as a possible source of funds or sale candidate, or for a period of two weeks after it has been so designated.
4. We will not purchase any security or buy a "call" on any security for a period of at least one month after it has been designated as sources of funds or a sale candidate.
5. We will not buy or sell any security at the same time that security is being actively recommended to clients.
6. We will not purchase new offerings of securities which are being recommended to our clients.
7. We shall not participate in any security underwriting conducted by firms to which Tucker Hargrove Management, Inc. directs brokerage business on behalf of its clients.
8. Tucker Hargrove Management, Inc. employees may not utilize market non-public information in any personal securities transaction. Moreover, any employee suspecting the use of insider trading must report such occurrence to the CCO.

Tucker Hargrove Management, Inc. will provide a copy of its Code of Ethics to any client or prospective client upon request.

For those accounts where the client has not specified a broker or dealer, Tucker Hargrove Management, Inc. selects brokers based on research services provided to the firm or based on the broker's execution capabilities. Research services include company and industry reports, strategy updates and analyses and investment conferences.

Execution capabilities generally encompass the broker's ability and willingness to transact the desired number of shares of a specific stock at the price desired by the adviser within a particular time frame. In all cases where Tucker Hargrove Management, Inc. has selected the broker, the firm strives to ensure the commission paid is competitive with rates charged by other brokers for a similar transaction.

Research services obtained may benefit all clients, not just those paying for it. Tucker Hargrove Management, Inc. benefits when it uses client brokerage commissions to obtain research services as it does not have to pay directly for such research service. Tucker Hargrove Management, Inc. may have therefore have and incentive to select the broker-dealer based on its interest in receiving research rather than its clients' interest in receiving most favorable execution. Tucker Hargrove Management, Inc. reviews its research relationships with brokers annually, including quality of execution, bid/ask spreads and commission cost.

Portfolio analyses containing securities holdings, cash balances and investment results are prepared monthly for review by the President to ensure that portfolios comply with the clients' guidelines and the firm's current investment strategy. All portfolios are monitored on a continuous basis with changes in the relationship of market prices to the firm's determination of fundamental value triggering specific activity.

Regular monthly reports providing a list of securities held and their current market value, the total portfolio market value, the portfolio's current level of income and monthly activity summary including purchases and sales and interest and dividends received are issued to the client by the custodian bank or broker.

Tucker Hargrove Management, Inc. sends all clients a written quarterly report which contains a brief summary of the firm's current strategy, a portfolio appraisal, a summary of transactions and an analysis of investment results. Reports reflecting realized gains and losses for a particular period are sent to clients for taxable accounts in late January for the preceding year.

This item is not applicable.

Tucker Hargrove Management, Inc. does not hold custody of client assets. Tucker Hargrove Management, Inc. urges all clients to carefully review account statements sent from their broker/dealer, bank or other qualified custodians. We also urge clients to compare custodial account statements for those they receive from Tucker Hargrove Management, Inc. quarterly.

Tucker Hargrove Management, Inc. is granted a Limited Power of Attorney by its Investment Advisory Agreement with clients. This power of attorney gives Tucker Hargrove Management, Inc. the full power to supervise and direct the investment of the clients' portfolio, making and implementing investment decisions according to its best judgment, all without prior consultation with the client, in accordance with such objectives as the client may, from time to time, have furnished Adviser in writing, and subject only to such written limitations as the client may impose

Proxy Voting Guidelines

As authorized by clients Tucker Hargrove Management, Inc. will vote all proxies which are received on time.

Proxies will be voted uniformly unless instructed to do otherwise by the client.

In the past Tucker Hargrove Management, Inc. voted client proxies based on what the firm perceived to be the merits of individual proposals. In most cases Tucker Hargrove Management, Inc. voted with management based on the theory that if we don't like what management is doing we would not own the stock. If we feel that any proposals are injurious to shareholders Tucker Hargrove Management, Inc. believes its clients are better served by selling that particular stock rather than relying on proxy battles.

Tucker Hargrove Management, Inc. maintains a record of how it voted client proxies.

Clients who wish to obtain a copy of Tucker Hargrove Management Inc.'s proxy voting policies and a record of how Tucker Hargrove Management, Inc. voted a clients' proxies, may request these items in writing.

Tucker Hargrove Management, Inc. is not required to provide a balance sheet as it does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

Tucker Hargrove Management, Inc. has discretionary authority to supervise and direct the investment of client assets but does not have authority to withdraw funds. Tucker Hargrove Management, Inc. does not have custody of client assets at any time. As such Tucker Hargrove Management, Inc. does not believe there are any financial conditions that are reasonably likely to impair its ability to meet contractual commitments to clients.

This item is not applicable.