

FORM ADV

Uniform Application for Investment Adviser Registration

Part II - Page 1

OMB APPROVAL	
OMB Number	3235-0049
Estimated average burden hours per response. . . .9.01	

Name of Investment Adviser: KIELY CAPITAL MANAGEMENT, INC.					
Address:	(Number and Street)	(City)	(State)	(Zip Code)	Area Code: Telephone Number:
	51 DUMONT PLACE	MORRISTOWN,	NEW JERSEY	07960	(973) 455-1894

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any government authority.**

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

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Applicant: KIELY CAPITAL MANAGEMENT, INC.	SEC File Number: 801-24387	Date: 05/04/2001
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Definitions for Part II

Related person -- Any officer, director or partner of applicant or any person directly or indirectly controlling, controlled by, or under common control with the applicant, including any non-clerical, non-ministerial employee.

Investment Supervisory Services -- Giving continuous investment advice to a client (or making investments for the client) based on the individual needs of the client. Individual needs include, for example, the nature of other client assets and the client's personal and family obligations.

1. **A. Advisory Services and Fees.** (check the applicable boxes) For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

<input checked="" type="checkbox"/>	(1) Provides investment supervisory services	75%
<input type="checkbox"/>	(2) Manages investment advisory accounts not involving investment supervisory services	0%
<input checked="" type="checkbox"/>	(3) Furnishes investment advice through consultations not included in either services described above	25%
<input type="checkbox"/>	(4) Issues periodicals about securities by subscription	%
<input type="checkbox"/>	(5) Issues special reports about securities not included in any service described above	%
<input type="checkbox"/>	(6) Issues, not as part of any services described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities	%
<input type="checkbox"/>	(7) On more than an occasional basis, furnishes advice to clients on matters not involving securities	%
<input type="checkbox"/>	(8) Provides a timing service	%
<input type="checkbox"/>	(9) Furnishes advice about securities in any manner not described above	%

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

B. Does the applicant call any of the services it checked above financial planning or some similar term? Yes No

C. Applicant offers investment advisory services for: (check all that apply):

<input checked="" type="checkbox"/> (1) A percentage of assets under management	<input type="checkbox"/> (4) Subscription fees
<input checked="" type="checkbox"/> (2) Hourly charges	<input type="checkbox"/> (5) Commissions
<input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees)	<input type="checkbox"/> (6) Other

D. For each checked box in A above, describe on Schedule F:

- 1 the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- 1 applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- 1 when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. **Types of Clients** -- Applicant generally provides investment advice to: (check those that apply)

<input checked="" type="checkbox"/> A. Individuals	<input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations
<input type="checkbox"/> B. Banks or thrift institutions	<input type="checkbox"/> F. Corporations or business entities other than those listed above
<input type="checkbox"/> C. Investment companies	<input type="checkbox"/> G. Other (describe on Schedule F)
<input checked="" type="checkbox"/> D. Pension and profit sharing plans	

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

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Applicant:

KIELY CAPITAL MANAGEMENT, INC

SEC File Number:

801- 24387

Date:

05/04/2001**3. Types of Investments.** Applicant offers advice on the following: (check those that apply)

- | | | | |
|-------------------------------------|---|-------------------------------------|--|
| <input checked="" type="checkbox"/> | A. Equity Securities | <input checked="" type="checkbox"/> | H. United States government securities |
| <input checked="" type="checkbox"/> | (1) exchange-listed securities | | |
| <input checked="" type="checkbox"/> | (2) securities traded over-the-counter | | |
| <input checked="" type="checkbox"/> | (3) foreign issues | <input type="checkbox"/> | I. Options contracts on: |
| | | <input type="checkbox"/> | (1) securities |
| <input type="checkbox"/> | B. Warrants | <input type="checkbox"/> | (2) commodities |
| <input checked="" type="checkbox"/> | C. Corporate debt securities
(other than commercial paper) | <input type="checkbox"/> | J. Futures contracts on: |
| | | <input type="checkbox"/> | (1) tangibles |
| <input type="checkbox"/> | D. Commercial paper | <input type="checkbox"/> | (2) intangibles |
| <input checked="" type="checkbox"/> | E. Certificates of deposit | <input type="checkbox"/> | K. Interests in partnerships investing in: |
| <input checked="" type="checkbox"/> | F. Municipal securities | <input type="checkbox"/> | (1) real estate |
| | | <input type="checkbox"/> | (2) oil and gas interests |
| <input type="checkbox"/> | G. Investment company securities | <input type="checkbox"/> | (3) other (explain on Schedule F) |
| <input type="checkbox"/> | (1) variable life insurance | <input type="checkbox"/> | L. Other (explain on Schedule F) |
| <input checked="" type="checkbox"/> | (2) variable annuities | | |
| <input checked="" type="checkbox"/> | (3) mutual fund shares | | |

4. Methods of Analysis, Sources of Information, and Investment Strategies.

A. Applicant's security analysis methods include: (check those that apply)

- | | | | |
|---|-------------|------------------------------|-------------------------------|
| (1) <input type="checkbox"/> | Charting | (4) <input type="checkbox"/> | Cyclical |
| (2) <input checked="" type="checkbox"/> | Fundamental | (5) <input type="checkbox"/> | Other (explain on Schedule F) |
| (3) <input type="checkbox"/> | Technical | | |

B. The main sources of information applicant uses include: (check those that apply)

- | | | | |
|---|---------------------------------------|---|--|
| (1) <input checked="" type="checkbox"/> | Financial newspapers and magazines | (5) <input type="checkbox"/> | Timing services |
| (2) <input type="checkbox"/> | Inspections of corporate activities | (6) <input type="checkbox"/> | Annual reports, prospectuses, filings with the
Securities and Exchange Commission |
| (3) <input type="checkbox"/> | Research materials prepared by others | (7) <input type="checkbox"/> | Company press releases |
| (4) <input checked="" type="checkbox"/> | Corporate rating services | (8) <input checked="" type="checkbox"/> | Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | | | |
|---|--|---|---|
| (1) <input checked="" type="checkbox"/> | Long term purchases
(securities held at least a year) | (5) <input type="checkbox"/> | Margin transactions |
| (2) <input type="checkbox"/> | Short term purchases
(securities sold within a year) | (6) <input type="checkbox"/> | Option writing, including covered options,
uncovered options or spreading strategies |
| (3) <input type="checkbox"/> | Trading (securities sold within 30 days) | (7) <input checked="" type="checkbox"/> | Other (explain on Schedule F) |
| (4) <input type="checkbox"/> | Short sales | | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

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Applicant: KIELY CAPITAL MANAGEMENT, INC.	SEC File Number: 801-24387	Date: 05/04/2001
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5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? Yes No

(If yes, describe these standards on Schedule F.)

6. Education and Business Background.

For:

- | each member of the investment committee or group that determines general investment advice to be given to clients, or
- | if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- | each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- | | |
|---------------|--|
| name | formal education after high school |
| year of birth | business background for the preceding five years |

7. Other Business Activities. (check those that apply)

- A. Applicant is actively engaged in a business other than giving investment advice.
- B. Applicant sells products or services other than investment advice to clients.
- C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
 - (1) broker-dealer (7) accounting firm
 - (2) investment company (8) law firm
 - (3) other investment adviser (9) insurance company or agency
 - (4) financial planning firm (10) pension consultant
 - (5) commodity pool operator, commodity trading adviser or futures commission merchant (11) real estate broker or dealer
 - (6) banking or thrift institution (12) entity that creates or packages limited partnerships

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? Yes No

(If yes, describe on Schedule F the partnerships and what they invest in.)

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

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Applicant: KIELY CAPITAL MANAGEMENT, INC	SEC File Number: 801- 24387	Date: 05/04/2001
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9. Participation or Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- A. As principal, buys securities for itself from or sells securities it owns to any client.
- B. As broker or agent effects securities transactions for compensation for any client.
- C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

10. Conditions for Managing Accounts. Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account?

Yes No

(If yes, describe on Schedule F.)

11. Review of Accounts. If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.
ACCOUNTS ARE REVIEWED AT LEAST QUARTERLY, AND IF REQUIRED ON A MONTHLY BASIS. ACCOUNTS ARE REVIEWED BY EITHER BERNARD M. KIELY, CPA, CFP, MBA OR YVONNE C. KIELY, MBA.

B. Describe the nature and frequency of regular reports to clients on their accounts.
ALL CLIENTS RECEIVE MONTHLY STATEMENTS DIRECTLY FROM CHARLES SCHWAB & COMPANY. KIELY CAPITAL MANAGEMENT, INC. PROVIDES INTERNALLY GENERATED REPORTS ON A QUARTERLY BASIS. THESE REPORTS SHOW OPENING BALANCE, GAIN/LOSS, FUNDS DEPOSITED BY THE CLIENT, FUNDS WITHDRAWN BY THE CLIENT, FEES PAID TO KCM AND ENDING BALANCE REPORTS ALSO SHOW UNREALIZED GAINS OR LOSSES, GAINS OR LOSSES SINCE THE BEGINNING OF THE YEAR. REALIZED GAINS/LOSSES ALONG WITH THEIR TAX BASIS ARE PROVIDED AT YEAR END.

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

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Applicant: KIELY CAPITAL MANAGEMENT, INC.	SEC File Number: 801-24387	Date: 05/04/2001
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12. Investment or Brokerage Discretion.

- A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:
- | | | |
|--|---|--|
| (1) securities to be bought or sold? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (2) Amount of the securities to be bought or sold? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (3) broker or dealer to be used? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (4) commission rates paid? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |

- B. Does applicant or a related person suggest brokers to clients? Yes No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4), or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- | the product, research and services
- | whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- | whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- | any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- | | | |
|---|------------------------------|--|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- | has custody of client funds or securities; or
 - | requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- Has applicant provided a Schedule G balance sheet? Yes No

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant: KIELY CAPITAL MANAGEMENT	SEC File Number: 801-24387	Date: 05/04/2001
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in item 1A of Part I of Form ADV: KIELY CAPITAL MANAGEMENT, INC.		IRS Empl. Ident. No.: 22-3222331
Item of Form (identify)	Answer	
1 C (1)	<p>ASSET MANAGEMENT SERVICES ARE PROVIDED ON A DISCRETIONARY BASIS. FEES ARE BASED ON THE FOLLOWING SCHEDULE:</p> <p style="text-align: center;">\$ 0 TO \$1,000,000 1% OF INVESTED ASSETS \$1,000,001 TO \$2,000,000 ¾% OF INVESTED ASSETS \$2,000,001 AND UP ½% OF INVESTED ASSETS</p> <p>IN ADDITION TO THE ABOVE KCM MANAGEMENT FEES, ALL MUTUAL FUNDS ASSESS ONGOING MANAGEMENT FEES FOR THE OPERATIONS OF THE FUND. ADDITIONALLY, CHARLES SCHWAB & CO MAY CHARGE CLIENTS A TRANSACTION FEE ON PURCHASES OR SALES OF SECURITIES.</p> <p>FEES ARE PAYABLE AT THE END OF THE QUARTER BASED ON THE MARKET VALUE OF THE ACCOUNT. PARTIAL PERIODS ARE PRORATED. MINIMUM FEE IS \$1,250.00 PER QUARTER, \$5,000.00 PER YEAR.</p>	
1. C (2)	OFFICE CONSULTATIONS MAY BE PROVIDED AT AN HOURLY RATE OF \$200.00 FEES FOR RETIREMENT PLANNING START AT \$2,900.00	
1 C (3)	ASSET ALLOCATION SERVICES MAY BE PROVIDED. NON-INVESTMENT MANAGEMENT CLIENTS ARE CHARGED A FEE OF ½% OF THE INVESTMENT ASSETS WITH A MINIMUM FEE OF \$1,000.00. THERE IS NO SEPARATE CHARGE FOR INVESTMENT MANAGEMENT CLIENTS.	
3	TYPES OF INVESTMENTS - THE ADVISORS INVESTMENTS OF CHOICE ARE MUTUAL FUNDS. THE ADVISOR WILL NOT BUY INDIVIDUAL SECURITIES, BUT WILL HOLD EXISTING SHARES OWNED BY THE CLIENT.	
5	EDUCATION STANDARDS FOR ADVISORS - A COLLEGE DEGREE. IF THE DEGREE IS NOT IN BUSINESS, ACCOUNTING OR ECONOMICS, THEN AN MBA DEGREE IS REQUIRED.	
5 & 6	SEE ATTACHED RESUMES FOR ADVISORS EDUCATION & EXPERIENCE.	
7	BERNARD M. KIELY, CPA PROVIDES TAX PREPARATION SERVICES AS AN INDIVIDUAL AND NOT AS AN EMPLOYEE OF THE APPLICANT.	
10, 12A & 12B	APPLICANT REQUIRES, AS A CONDITION FOR ESTABLISHING A DISCRETIONARY RELATIONSHIP, THAT THE CLIENT OPEN AN ACCOUNT WITH CHARLES SCHWAB & CO'S INSTITUTIONAL GROUP.	
13	ON OCCASION REPRESENTATIVES OF THE ADVISOR MAY RECEIVE DEMINIMUS GIFTS FROM MUTUAL FUND REPRESENTATIVES. THESE DEMINIMUS GIFTS MAY BE T-SHIRTS, CAPS, PENS OR NOTEPAPER, ETC.	

Complete amended pages in full, circle amended items and file with execution page (page 1).

BERNARD M. KIELY



DATE OF BIRTH September 12, 1948

WORK EXPERIENCE

- 1983 - Present** *Bernard M. Kiely, CPA / Kiely Capital Management, Inc.* Morristown, N.J. Accounting, Tax, Financial Planning and Investment Advisory Services
- 1988 - 1998** *Fox-Gearty CPA Review Course*, Florham Park, N.J. - Instructor
- 1982 - 1988** *Becker CPA Review Course*, Newark, N.J. - Lead Instructor
- 1983 - 1994** *Rutgers University School of Management*, Newark, N.J. Accounting Professor
- 1982 - 1983** *Upsala College*, East Orange, N.J. Adjunct Professor in the Business and Economics Department

PRIOR

W.R Grace & Company - Senior Financial Analyst
Abex Corporation, Signal Stat Division - Assistant Controller & Director of Financial Planning
Coopers & Lybrand, CPA's - Staff Auditor
Mahaffy & Harder Engineering Company - Assistant Controller
Xerox Corporation - Technical Representative
U.S. Navy - Petty Officer 3rd Class

EDUCATION

- 1980** MBA Finance - Rutgers University, Newark, N.J.
1975 BA Accounting (Cum Laude) - Upsala College, East Orange, N.J.

PROFESSIONAL DESIGNATIONS

- 1982** Certified Public Accountant, State of N.J.
1985 Certified Financial Planner Designation.

YVONNE C. KIELY



DATE OF BIRTH November 8, 1952

WORK EXPERIENCE

1992 - Present *Bernard M. Kiely, CPA/ Kiely Capital Management, Inc.* Morristown, N.J.
Accounting, Tax, Financial Planning and Investment Advisory Services

1986 - 1988 *Webb-Sequoia Corporation*, Fairfax, Va. - Real Estate Project Manager.
Overall responsible for the development, financing, construction & leasing of a three building office park in the suburbs of Washington, DC

1984 - 1986 *AT&T Corporation*, Basking Ridge, N.J. - Manager Real Estate.
Negotiated joint venture contracts with national real estate developers throughout the United States. Largest project was a thirty million dollar joint venture in Washington, DC.

1980 - 1984 *New Jersey Bell Telephone Co.*, East Orange, N.J. Assistant Manager - Real Estate. Located, purchased and leased real estate for the corporation. Negotiated multi million dollar commercial leases.

PRIOR *Phelps Dodge Corporation* - Systems Analyst
Carteret Savings & Loan Association. - Systems Analyst

EDUCATION

1979 MBA Finance - Rutgers University, Newark, N.J.

1977 BS Accounting (Magna Cum Laude) Upsala College, East Orange, N.J.

1974 BA English - Upsala College, East Orange, N.J.

PROFESSIONAL DESIGNATIONS

2001 Certified Mutual Fund Counselor