

FORM ADV

Uniform Application for Investment Adviser Registration

Part II - Page 1

OMB APPROVAL	
OMB Number:	3235-0049
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Name of Investment Adviser: The Proper Analysis Corporation				
Address: (Number and Street)	(City)	(State)	(Zip Code)	Area Code: Telephone Number:
3201 Enterprise Parkway, Suite 320	Beachwood	OH	44122	(216) 595-3842

**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 governmental 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.)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Applicant: The Proper Analysis Corporation	SEC File Number: 801-42983	Date: 03/30/2010
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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.)

Applicant:

<input checked="" type="checkbox"/> (1) Provides investment supervisory services	<u>99%</u>
<input type="checkbox"/> (2) Manages investment advisory accounts not involving investment supervisory services	_____ %
<input checked="" type="checkbox"/> (3) Furnishes investment advice through consultations not included in either service described above	<u>1%</u>
<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 service 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 applicant call any of the services it checked above financial planning or some similar term?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

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 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:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- 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 checked="" 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	

Applicant:

The Proper Analysis Corporation

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Date:

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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 type="checkbox"/> I. Options contracts on: |
| <input checked="" type="checkbox"/> (3) foreign issues | <input checked="" type="checkbox"/> (1) securities |
| | <input type="checkbox"/> (2) commodities |
| <input type="checkbox"/> B. Warrants | <input type="checkbox"/> J. Futures contracts on: |
| <input checked="" type="checkbox"/> C. Corporate debt securities
(other than commercial paper) | <input type="checkbox"/> (1) tangibles |
| | <input type="checkbox"/> (2) intangibles |
| <input checked="" type="checkbox"/> D. Commercial paper | <input type="checkbox"/> K. Interests in partnerships investing in: |
| <input checked="" type="checkbox"/> E. Certificates of deposit | <input type="checkbox"/> (1) real estate |
| <input checked="" type="checkbox"/> F. Municipal securities | <input type="checkbox"/> (2) oil and gas interests |
| | <input checked="" type="checkbox"/> (3) other (explain on Schedule F) |
| <input type="checkbox"/> G. Investment company securities: | <input checked="" type="checkbox"/> L. Other (explain on Schedule F) |
| <input type="checkbox"/> (1) variable life insurance | |
| <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 type="checkbox"/> Fundamental | (5) <input checked="" 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 checked="" type="checkbox"/> Annual reports, prospectuses, filings with the
Securities and Exchange Commission |
| (3) <input checked="" 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 checked="" type="checkbox"/> Margin transactions |
| (2) <input checked="" type="checkbox"/> Short term purchases
(securities sold within a year) | (6) <input checked="" 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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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
- year of birth
- formal education after high school
- 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:

<input type="checkbox"/> (1) broker-dealer	<input checked="" type="checkbox"/> (7) accounting firm
<input type="checkbox"/> (2) investment company	<input type="checkbox"/> (8) law firm
<input type="checkbox"/> (3) other investment adviser	<input type="checkbox"/> (9) insurance company or agency
<input type="checkbox"/> (4) financial planning firm	<input type="checkbox"/> (10) pension consultant
<input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant	<input type="checkbox"/> (11) real estate broker or dealer
<input type="checkbox"/> (6) banking or thrift institution	<input type="checkbox"/> (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.)

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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.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

- 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.

Reviews are conducted annually for tax planning purposes, prior to periodic client meetings, quarterly for asset allocation purposes and monthly for performance results. Reviews of accounts are also triggered by changes in market conditions, adjustments to guidance models, changes in the investment guidance list, substantial additions or withdrawals from a portfolio, and in response to discussions with clients.

These reviews are conducted by two members of the senior staff on a rotating basis: Anne P. Ogan, President and Greg Goldfeder, Senior Research Analyst. The reviewers' instructions are to rebalance accounts to conform to Registrant's models after giving consideration to tax consequences of sales.

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

The third party custodian(s) provide reports directly to the client at least quarterly. Such reports show positions held, valuation and account activity.

The Proper Analysis Corporation provides, at least quarterly, position, valuation, performance and allocation reports to its clients by mail or through access at our secure website. Tax-related reports (including information on capital gains & losses, investment income and management expenses) are provided annually to our clients or to their designated tax expert upon request.

The Proper Analysis Corporation also provides to its clients numerous and varied ad hoc reports as requested.

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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 checked="" type="checkbox"/> | No <input 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 products, 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 No
- B. directly or indirectly compensates any person for client referrals? Yes No

(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 unless applicant is registered or registering only with the Securities and Exchange Commission; 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

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant: The Proper Analysis Corporation	SEC File Number: 801- 42983	Date: 03/30/2010
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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: The Proper Analysis Corporation	IRS Empl. Ident.No.: 34-1720751
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Item of Form (identify)	Answer
Item 1.D.	<p>ADVISORY SERVICES AND FEES</p> <p>Fee Schedule:</p> <p>The Proper Analysis Corporation's (the Registrant's) money management fees are based upon blended rates as follows:</p> <p>Annual Rate Billing Assets Portfolio Totals 1.00% for the first \$500,000 of assets \$ 200,000 - \$ 500,000 0.90% on the next \$500,000 of assets \$ 500,001 - \$ 1,000,000 0.80% on the next \$1,000,000 of assets \$ 1,000,001 - \$ 2,000,000 0.70% on the next \$3,000,000 of assets \$ 2,000,001 - \$ 5,000,000 0.30% on the next \$5,000,000 of assets \$ 5,000,001 - \$ 10,000,000</p> <p>Rates on assets above \$10,000,000 are negotiable. The Proper Analysis Corporation. The Proper Analysis Corporation retains the right in certain instances (such as for non-profit institutions or charities) to negotiate rates that differ from the above table. ERISA plans with self-directed participant accounts that utilize model portfolios designed by Registrant are subject to the normal fee schedule above less a 15% discount for those choosing the models. Participants in such plans who select</p> <p>The Registrant to manage a customized portfolio (utilizing the custodian's "brokerage window") will pay a total of Registrant's full normal rate. That is, Registrant's plan-level fees plus any direct fees to Registrant will be equal to the client's average overall consolidated portfolio fee.</p> <p>The Proper Analysis Corporation will in certain instances charge a negotiated fee to review and make periodic recommendations for retirement plan elections for individuals who seek such advice on accounts not custodied at Charles Schwab. In such cases, the Registrant will provide recommendations as to the client's investments in the plan in order to include them in the client's overall asset allocation. The Registrant will monitor the client's account on a quarterly basis and will continue to make recommendations to the client where appropriate to ensure the account remains aligned with the client's stated financial objectives. The client is solely responsible for executing trades pursuant to written instruction from the Registrant. Fees for this service are included in the asset-based fee stated above. In limited circumstances, the Registrant, in its sole discretion, may waive such fees.</p> <p>The Proper Analysis Corporation may offer consulting services whereby it will provide a professional opinion on specific financial related areas (i.e. researching cost basis information or analyzing annuity contract choices). The consulting services are billable at \$45 per hour. Fees are payable at the conclusion of each session.</p> <p>Fee Policies and Procedures: The fees charged by the Registrant for discretionary money management services are based on the value of assets managed. Fees are due quarterly and payable in advance. Fees are never collected more than six months in advance. The value of assets under management in each portfolio is computed as of the last business day of the previous quarter. A portfolio's initial fee will be pro-rated for the remaining days in the quarter. Fees on substantial additions are pro-rated (Generally, additions exceeding 10% are deemed "substantial"). Fees on withdrawals in excess of 10% are pro-rated for reimbursement.</p>

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: The Proper Analysis Corporation	SEC File Number: 801- 42983	Date: 03/30/2010
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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: The Proper Analysis Corporation	IRS Empl. Ident.No.: 34-1720751
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Item of Form (identify)	Answer
Item 1.D. (continued)	<p>Each client's separate accounts are aggregated for the purpose of determining fees. In certain instances, fees may be subject to mutually agreed upon deviation or adjustment from the above. Any such deviations are disclosed to the client in advance and in writing.</p> <p>Each client signs an investment management agreement which allows for termination within five business days after signing with no penalty for cancellation. Contracts for investment advisory services are ongoing unless otherwise agreed with the client.</p> <p>The Registrant does not act as custodian for any client assets. The custodian for each account makes available a statement to the client at least once a quarter (and typically monthly) showing all activity in the client's account(s).</p> <p>Clients have the option to pay fees directly by check or to have Registrant's fees automatically deducted from their money market accounts by the custodian holding their funds provided the client supplies written authorization permitting the fees to be paid directly from the account. The Registrant will not have access to client funds for payment of fees without written consent by the client. Further, the qualified custodian agrees to deliver an account statement, at least quarterly, directly to the client, showing all disbursements from the account. The client is encouraged to review all account statements for accuracy. The Registrant will receive a duplicate copy of the statement delivered to the client.</p> <p>The agreement between the Registrant and the client may be terminated without penalty by either party with thirty (30) days written notice to the other party. In the event of termination, pre-paid fees shall be pro-rated and any unearned fees will be returned to the client no later than fifteen (15) days after the end of the quarter in which services were terminated.</p> <p>The Registrant receives no compensation from any outside investment adviser or fund company, nor does the Registrant pay compensation to any outside investment adviser or fund company for managing client assets or any other products or services. Client fees are the Registrant's only source of revenue.</p> <p>Additional Costs: Clients need to be aware that mutual funds or limited partnerships in which their money is invested hire investment advisers to manage fund assets and that these advisers charge the mutual funds or partnerships advisory fees for their professional management service. These advisory fees, along with other fund or partnership expenses, are paid by all investors in the funds for the period they own the security. These particular fees are separate and apart and in addition to the investment management fees.</p> <p>The fees and other expenses of mutual funds are monitored and reviewed by the Registrant. These costs are given careful consideration as one of the factors determining whether a fund or manager will be included in portfolios managed by the Registrant.</p>
Item 3. K.	<p>TYPES OF INVESTMENTS In addition to the types of investments listed at Part II, Page 3, the Registrant may, also, provide advice to clients on placing assets in limited partnerships.</p>
Item 3. L.	<p>The Registrant may also provide advice on other types of investment held in a client's portfolio at the inception of the advisory relationship and may, but usually will not, explore</p>

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: The Proper Analysis Corporation	SEC File Number: 801- 42983	Date: 03/30/2010
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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: The Proper Analysis Corporation	IRS Empl. Ident.No.: 34-1720751
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Item of Form (identify)	Answer
Item 4. A. (5)	<p>other investment options at the client's request.</p> <p>METHODS OF ANALYSIS, SOURCES OF INFORMATION, AND INVESTMENT STRATEGIES</p> <p>The Registrant emphasizes long-term total return and preservation of capital. To accomplish these goals, Registrant's investment strategy utilizes a significant degree of diversification, active asset allocation and a "manager of managers" approach. Implementation of this strategy is primarily through no-load index and actively managed mutual funds and exchange traded funds (ETFs.) Actively managed mutual funds are selected based on management style, consistent risk-adjusted long-term performance, tax efficiency and low expenses.</p>
Item 4. B. (8)	<p>The Registrant utilizes information pertaining to securities that is publicly available via the internet from numerous business-related services as well as the issuers themselves. The Registrant utilizes research in the form of historical data, indices, rankings and asset mix optimization as published by Morningstar, Vanguard, Dimensional Fund Advisers and others.</p>
Item 4. C. (7)	<p>Funds are analyzed by quantitative and qualitative means, including peer group analysis, interviews with portfolio managers, participation in conferences and conference calls, and analysis of published descriptive as well as quantitative information.</p> <p>The Registrant monitors asset classes and securities. When analysis warrants, individual securities may be bought or sold. Since our investment objectives are typically defined in terms of each client's long-term goals, most investments will be held for a year or more. However, re-balancing requirements, changes in market conditions, tax considerations, clients' cash flow needs and changes in expected rates of return on any investment vis-a-vis other investment opportunities could trigger the sale of securities held less than one year.</p> <p>The Registrant does not attempt to "time the market." Most accounts that have been under management for a year or more are usually close to fully invested.</p> <p>The Registrant is not engaged in forecasting interest rates; debt instruments are used to provide income, to reduce a portfolio's overall volatility, and to preserve capital. Thus, the average maturity range for a fixed income portfolio is approximately 3 to 7 years. Some individual securities may have long maturities and/or low coupons and therefore be subject to price volatility as interest rates change. Overall, the Registrant seeks diversified portfolios with moderate total return consistent with reasonable price stability for each client's core fixed-income assets.</p>
Item 5.	<p>Investment policies are determined by an Investment Policy Committee which is chaired by Anne P. Ogan, CFA.</p> <p>EDUCATION AND BUSINESS STANDARDS</p> <p>The Registrant requires that each individual rendering investment advice have several years' experience in investments or a bachelor's degree with concentration in the field of economics, accounting, finance, management or business.</p>

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

**Schedule F of
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Continuation Sheet for Form ADV Part II**

Applicant: The Proper Analysis Corporation	SEC File Number: 801- 42983	Date: 03/30/2010
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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: The Proper Analysis Corporation	IRS Empl. Ident.No.: 34-1720751
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Item of Form (identify)	Answer
Item 6.	<p>EDUCATION AND BUSINESS BACKGROUND</p> <p>William D. Proper, (Born 1945).</p> <ul style="list-style-type: none"> -Cleveland State University College of Law (1974) Juris Doctorate. -Miami University (1967) B.S.B.A. Accounting -The Proper Analysis Corporation: Chairman 11/92 to Present -William Proper & Company: President 10/1987 to 12/2001 -Proper & Associates, Inc.: President (formerly William Proper & Co.) 1/2001 to Present <p>Anne P. Ogan, (Born 1947).</p> <ul style="list-style-type: none"> -Cleveland State University Graduate Studies-Business/Economics (1970 to 1973) -Radcliffe College in Harvard University (1969), B.A. Economics -The Proper Analysis Corporation: President/CCO/CIO 11/1992 to Present -Capital Dynamics, Inc.: President 4/1992 to 11/1992 -McDonald & Company Securities: Director of Research 6/1988 to 4/1992; Managing Director 5/1991 to 4/1992 -First Boston: V.P. 11/1979 to 3/1988 -Salomon Brothers: V.P. 8/1977 to 10/1979 <p>Greg Goldfeder, (Born 1972).</p> <ul style="list-style-type: none"> -Villanova University Graduate Studies-M.B.A. Finance (1999 to 2001) -University of Michigan (1994) B.A. Political Science -The Proper Analysis Corporation: Senior Research Analyst 5/2006 to Present -Gardner Lewis Asset Management: Investment Research Analyst 2001-2006 <p>Lisa W. Neely, (Born 1950)</p> <ul style="list-style-type: none"> -Tulane University (1975) B.A. -Pine Manor College (1970) A.A. --The Proper Analysis Corporation: Investment Adviser Representative 3/2010 to Present -Key Private Bank: V.P. Investment Management and Trust Consultant 4/2004-2/2009 -Comerica Bank: V.P. Business Development for Strategic Alliances 1/1998 – 4/2004 -National City Bank: AVP. Private Client Group 2/1994-9/1997 -Society National Bank: AVP, Business Development 7/1990-4/1994

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: The Proper Analysis Corporation	SEC File Number: 801- 42983	Date: 03/30/2010
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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: The Proper Analysis Corporation	IRS Empl. Ident.No.: 34-1720751
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Item of Form (identify)	Answer
<p>Item 7.C. Item 8.C.(7)</p> <p>Item 9.E.</p>	<p>OTHER BUSINESS ACTIVITIES/OTHER FINANCIAL INDUSTRY ACTIVITIES OR AFFILIATIONS William D. Proper, CPA, Chairman of The Proper Analysis Corporation, spends approximately 50% of his time running the accounting firm Proper & Associates, Inc.</p> <p>PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS The owners and employees of the Registrant may hold, sell or buy the same securities that are held, sold or bought in clients 'accounts. The Registrant has adopted a Code of Ethics, the full text of which is available to clients and prospective clients upon request. The Registrant has several goals in adopting this Code. First, the Registrant desires to comply with all applicable laws and regulations governing its practice, and the management of the Registrant has determined to set forth guidelines for professional standards, under which all associated persons of the Registrant are to conduct themselves. The Registrant has set high standards, the intention of which is to protect client interests at all times and to demonstrate its commitment to its fiduciary duties of honesty, good faith and fair dealing with clients. All associated persons are expected to adhere strictly to these guidelines, as well as any procedures for approval and reporting established in the Code of Ethics primarily related to violations of the Code. Confirmations of all personal and directed employee and owner trades in securities other than open-end mutual funds are required to be provided to the compliance officer of the Registrant. Records of these trades are kept and reviewed periodically for front-running and compliance with black-out periods.</p> <p>In addition, the Registrant maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.</p> <p>Footnotes: (1) This investment policy has been established recognizing that some securities being considered for purchase and/or sale on behalf of the Registrant's clients trade in sufficiently broad markets to permit transactions by clients to be completed without an appreciable impact on the markets of the securities. (2) The foregoing does not apply to certain types of securities, such as obligations of the U.S. Government, and shares in open-end mutual funds. Open-end mutual funds are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase or redemption. As such, transactions in mutual funds by Advisory Representatives are not likely to have an impact on the prices of the fund shares in which clients invest.</p>
<p>Item 10.</p>	<p>CONDITIONS FOR MANAGING ACCOUNTS The registrant typically does not work with clients whose accounts, taken together, aggregate less than \$250,000. Exceptions may be made on a case by case basis. In such cases, a minimum fee may be imposed which is greater than the normal percentage fee in order to cover administrative costs.</p>
<p>Item 12. A. (1), (2), (3),(4)</p>	<p>INVESTMENT OR BROKERAGE DISCRETION In order to facilitate efficient account administration, clients grant a limited power of attorney to the Registrant. This limited power of attorney gives the Registrant the right to place orders for clients and have access to client information. This limited power of attorney does not give the Registrant access to client funds or securities. The Registrant is not a custodian.</p> <p>The Registrant has complete authority, without obtaining specific client consent, to</p>

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: The Proper Analysis Corporation	SEC File Number: 801- 42983	Date: 03/30/2010
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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: The Proper Analysis Corporation	IRS Empl. Ident.No.: 34-1720751
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Item of Form (identify)	Answer
Item 12. B.	<p>determine the securities to be bought or sold, the amount of securities to be bought or sold, the broker to be used and the commission rates to be paid (if any) on discretionary accounts. The Registrant manages only discretionary portfolios.</p> <p>SUGGESTION OF BROKERS</p> <p>The Registrant will recommend to clients a discount custodian and/or broker whose services include an electronic data interface with the Registrant for the transmission of client portfolio data and trading instructions. The Registrant believes that this custodial relationship leads to more timely receipt of client information.</p> <p>Registrant may require that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, Member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Registrant is independently owned and operated and not affiliated with Schwab. Schwab provides Registrant with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab institutional, <i>and are not otherwise contingent upon Advisor committing to Schwab any specific amount of business (assets in custody or trading)</i>. Schwab's services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or require a significantly higher minimum initial investment.</p> <p>For Registrant's client accounts maintained in its custody, Schwab generally does not charge separately for custody but is compensated by account holders through commissions, other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts, or fees from mutual funds paid to Schwab.</p> <p>Schwab also makes available to Registrant other products and services that benefit Registrant but may not directly benefit its clients' accounts. Some of these other products and services assist Registrant in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of Registrant's fees from its clients' accounts, and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of Registrant's accounts, including accounts not maintained at Schwab Institutional. Schwab Institutional also makes available to Registrant other services intended to help Registrant's manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services rendered to Registrant by independent third parties.</p> <p>Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or part of these fees of a third-party providing these services to Registrant. While as a fiduciary, Registrant endeavors to act in its clients' best interests, Registrant's requirement that clients maintain their assets in accounts at Schwab may be based in part on the benefit to Registrant of the availability of some of the foregoing</p>

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Item 12. B. (continued)	<p>products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.</p> <p>For clients wishing individual stock/bond portfolios or consolidated portfolio accounts with mutual funds from unrelated companies, a broker is recommended as custodian, usually Charles Schwab & Company ("Schwab"). Since Schwab is a discount broker, the client pays fees below those charged by the major brokerage firms. Schwab's adviser platforms provide low-cost execution, wide access to investment products, access to trade desks for special issues and a required degree of "back room" support.</p> <p>Brokers are selected on the basis of cost effectiveness, taking into consideration the comprehensive package of services provided. While economy is sought, commissions may vary and may not be the lowest available.</p> <p>In the case where a client directs the Registrant as to the specific use of a particular broker, dealer, bank, or custodian, client will acknowledge, in writing, that this direction may cause the account to pay more for the services and transactions than another custodian and/or broker may have charged. No clients currently direct brokerage.</p>
Item 13.B.	<p>The Registrant acknowledges its duty of best execution for its clients. Best execution does not pertain to purchases and sales of no-load mutual funds (Registrant's primary investment vehicle) since all buyers and sellers receive identical prices for a given security for all orders placed on a single day.</p> <p>COMPENSATION FOR CLIENT REFERRALS</p> <p>The Registrant may have agreements with unrelated parties for referral of clients whereby the unrelated party is paid fees for solicitation or referral of business. In such cases, payment of fees may be for assistance in locating clients, assisting in fact finding, getting the client's paperwork set up properly, and conducting periodic reviews with the client. These solicitors' fees replace marketing expenses that might be incurred in obtaining new clients. In each case, the rules governing soliciting are followed and the client is advised in advance in writing of the referral fee. Client fees are the same regardless of whether or not a solicitor is used. The solicitor provides a current Registrant brochure to the client, and the solicitor has a written agreement with the Registrant. The client provides the Registrant with written acknowledgement that he or she is aware of the fee-sharing arrangement.</p> <p>The Registrant previously received client referrals from Charles Schwab & Co. ("Schwab") through participation in the Schwab Advisor Network ("the Service"). The Service is designed to help investors find an independent investment adviser. Schwab is a broker/dealer independent of and unaffiliated with the Registrant. Schwab does not supervise the Registrant and has no responsibility for the Registrant's management of clients' portfolios or the Registrant's other advice or services. The Registrant pays Schwab a fraction of the clients' fees for referrals received through the Service. The Registrant is no longer a participant in the Service; however, the Registrant continues to pay Schwab ongoing fees for clients who were previously referred to the Registrant.</p> <p>MISCELLANEOUS <i>Privacy Policies</i></p> <p>The Registrant views protecting its customers' private information as a top priority and, pursuant to the requirements of the federal Gramm-Leach-Bliley Act, The Registrant has instituted policies and procedures to ensure that customer information is kept private and</p>

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	<p>secure.</p> <p>The Registrant does not disclose any nonpublic personal information about its customers or former customers to any nonaffiliated third parties, except as permitted by law. In the course of servicing a client's account, the Registrant may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and lawyers.</p> <p>The Registrant may disclose client information with Proper & Associates, Inc., an affiliated accounting firm, only when the client provides the Registrant with authorization to share their information with such firm.</p> <p>The Registrant restricts internal access to nonpublic personal information about the client to those associated persons of the Registrant who need access to that information in order to provide services to the client. As emphasized above, it has always been and will always be the Registrant's policy never to sell information about current or former customers or their accounts to anyone. It is also the Registrant's policy not to share information unless required to process a transaction, at the request of a customer, or as required by law.</p> <p><i>Proxy Voting/Class Action Lawsuits</i></p> <p>Except with respect to qualified accounts, the Registrant will not vote proxies on behalf of advisory client accounts. However, on rare occasions and only at the client's request, the Registrant may offer clients advice regarding corporate actions and the exercise of proxy voting rights. Ultimately, clients owning shares of common stock or mutual funds must exercise their own right to vote as a shareholder.</p> <p>With respect to qualified accounts, in general, the Registrant will determine how to vote proxies based on the Registrant's reasonable judgment of that vote most likely to produce favorable financial results for the Registrant's clients. Proxy votes generally will be cast in favor of proposals that maintain or strengthen the shared interests of shareholders and management, increase shareholder value, maintain or increase shareholder influence over the issuer's board of directors and management, and maintain or increase the rights of shareholders; proxy votes generally will be cast against proposals having the opposite effect. However, the Registrant will consider both sides of each proxy issue. Consistent with the Registrant's paramount commitment to the financial investment goals of its clients, social considerations will not be considered absent contrary instructions by a client.</p> <p>It is unlikely that conflicts of interest will arise between the Registrant or a principal of the Registrant and the Registrant's clients in respect of a proxy issue; however, if the Registrant determines that a material conflict of interest exists, the Registrant will take the necessary steps to resolve the conflict before voting the proxies. For example, the Registrant may disclose the existence and nature of the conflict to the client(s) owning the securities, and seek directions on how to vote the proxies; the Registrant may abstain from voting, particularly if there are conflicting client interests (for example, where client accounts hold different client securities in a competitive merger situation); or take other necessary steps designed to ensure that a decision to vote the proxy is in the client's best interest and was not the product of the conflict.</p> <p>The Registrant keeps certain records required by applicable law in connection with its</p>

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	<p>proxy voting activities for clients and shall provide proxy-voting information to clients upon their written or oral request.</p> <p>From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. The Registrant has no obligation to determine if securities held by clients are subject to a pending or resolved class action lawsuit. It also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, the Registrant has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured because of actions, misconduct, or negligence by corporate management of issuers whose securities are held by clients.</p> <p>However, the Registrant will forward clients any proxy materials or information received by the Registrant regarding class action legal matters involving securities held in client accounts. In the unlikely event that the Registrant were to receive written or electronic proxy materials or notices of class action lawsuits, settlements, or verdicts affecting securities owned by a client, it would forward all notices, proof of claim forms, and other materials, to the relevant client. Electronic mail is acceptable where appropriate, if the relevant client has authorized contact in this manner.</p> <p><i>Aggregation of Trades</i> The Registrant may aggregate orders with respect to a security for advisory client accounts if such aggregation is consistent with achieving best execution for the various client accounts. When orders are aggregated, each participating account receives the weighted average share price for all transactions in a particular security effected to fill such orders at the time of execution. Transaction costs are not shared pro rata as each account will bear its own transaction costs. Allocations of orders among client accounts must be made in a fair and equitable manner.</p> <p><i>Trade Error Correction</i> From time-to-time the Registrant may make an error in submitting a trade order on the client's behalf. When this occurs, the Registrant may place a correcting trade with the broker-dealer which has custody of the client's account. If an investment gain results from the correcting trade, the gain will remain in the client's account unless the same error involved other client account(s) that should have received the gain, it is not permissible for the client to retain the gain, or we confer with the client and the client decides to forego the gain (e.g., due to tax reasons). If the gain does not remain in the client's account and Charles Schwab & Co. Inc. ("Schwab") is the custodian, Schwab will donate the amount of any gain \$100 and over to charity. If a loss occurs greater than \$100, the Registrant will pay for the loss. Schwab will maintain the loss or gain (if such gain is not retained in the client's account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in the client's account, they may be netted.</p>

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