

Uniform Application for Investment Adviser Registration

Part II - Page 1

OMB APPROVAL

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Name of Investment Adviser:

Zazove Associates, LLC

Address: (Number and Street)

(City)

(State)

(Zip Code)

Area Code

Telephone Number

1033 Skokie Blvd., Suite 310

Northbrook

IL

60062

847 239-7100

**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.**

Table of Contents

| <u>Item Number</u> | <u>Item</u> | <u>Page</u> |
|------------------------|--|-------------|
| 1 | Advisory Services and Fees | 2 |
| 2 | Types of Clients. | 2 |
| 3 | Types of Investments. | 3 |
| 4 | Methods of Analysis, Sources of Information and Investment Strategies. | 3 |
| 5 | Education and Business Standards. | 4 |
| 6 | Education and Business Background. | 4 |
| 7 | Other Business Activities. | 4 |
| 8 | Other Financial Industry Activities or Affiliations. | 4 |
| 9 | Participation or Interest in Client Transactions. | 5 |
| 10 | Conditions for Managing Accounts. | 5 |
| 11 | Review of Accounts. | 5 |
| 12 | Investment or Brokerage Discretion. | 6 |
| 13 | Additional Compensation. | 6 |
| 14 | Balance Sheet. | 6 |
| | Continuation Sheet. | Schedule F |
| | Balance Sheet, if required. | Schedule G |

(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 not 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:
Zazove Associates, LLC

SEC File Number:
801- 34818

Date:
1/1/09

01/01/09

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 type="radio"/> (1) Provides investment supervisory services | _____ % |
| <input checked="" type="radio"/> (2) Manages investment advisory accounts not involving investment supervisory services | 100 % |
| <input type="radio"/> (3) Furnishes investment advice through consultations not included in either service described above | _____ % |
| <input type="radio"/> (4) Issues periodicals about securities by subscription | _____ % |
| <input type="radio"/> (5) Issues special reports about securities not included in any service described above | _____ % |
| <input type="radio"/> (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which client may use to evaluate securities | _____ % |
| <input type="radio"/> (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities | _____ % |
| <input type="radio"/> (8) Provides a timing service | _____ % |
| <input type="radio"/> (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.)

Yes No

B. Does applicant call any of the services it checked above financial planning or some similar term?

☐ ☒

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

- | | |
|--|---|
| <input checked="" type="radio"/> (1) A percentage of assets under management | <input type="radio"/> (4) Subscription fees |
| <input type="radio"/> (2) Hourly charges | <input type="radio"/> (5) Commissions |
| <input type="radio"/> (3) Fixed fees (not including subscription fees) | <input checked="" type="radio"/> (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="radio"/> A. Individuals | <input checked="" type="radio"/> E. Trusts, estates, or charitable organizations |
| <input type="radio"/> B. Banks or thrift institutions | <input checked="" type="radio"/> F. Corporations or business entities other than those listed above |
| <input checked="" type="radio"/> C. Investment companies | <input checked="" type="radio"/> G. Other (describe on Schedule F) |
| <input checked="" type="radio"/> D. Pension and profit sharing plans | |

3. Types of Investments Applicant offers advice on the following: (check those that apply)

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

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

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

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

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

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

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

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

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

Applicant:
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5. Education and Business Standards.

Yes No

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients?.....

☒ ☐

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

Yes No

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?...

☒ ☐

(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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9. Participation of 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 triggers 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.

Gene T. Pretti (Chief Executive Officer and Senior Portfolio Manager oversees the portfolio management functions of the firm. Mr. Pretti is assisted by John Zerweck (Portfolio Manager/Trader), Christopher Sewell (Portfolio Manager/Trader), Christopher Cook (Portfolio Manager/High Yield Analyst), Greg Shorin (Portfolio Manager/International Analyst), Mark Ludviksen (Chief Information Officer) and a team of analysts. The Zazove team of investment professionals monitor, on a daily basis, the securities that make up the investment advisory accounts. Portfolios are adjusted when a particular position falls outside of the relevant risk/reward profile for the portfolio. In addition, the Zazove team monitors on a daily basis other securities that are not currently held in an investment advisory account to determine whether any such securities would be an attractive addition to the accounts.

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

Advisor sends reports to its clients on a monthly and/or quarterly basis. In addition, it is Advisor's understanding that clients receive monthly statements directly from the custodian of the account. Advisor (or a transfer agent) generates monthly reports for the investors in the various investment funds to which Advisor acts as investment advisor. See Schedule F Item 2.G. for a discussion of these investment funds.

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 | No |
| | <input type="radio"/> | <input type="radio"/> |
| (2) amount of the securities to be bought or sold? | Yes | No |
| | <input type="radio"/> | <input type="radio"/> |
| (3) broker or dealer to be used? | Yes | No |
| | <input type="radio"/> | <input type="radio"/> |
| (4) commission rates paid? | Yes | No |
| | <input type="radio"/> | <input type="radio"/> |

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 commission 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 |
| | <input type="radio"/> | <input type="radio"/> |
| B. directly or indirectly compensates any person for client referrals? | Yes | No |
| | <input type="radio"/> | <input type="radio"/> |

(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

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:
Zazove Associates, LLC

SEC File Number:

801- 34818

Date:

01/01/09

(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: Zazove Associates, LLC | | IRS Empl. Ident. No.: 36-3984373 |
| Item of Form (identify) | Answer | |
| 1.D. | <p>ADVISORY SERVICES AND FEES Zazove Associates, L.L.C. (the "Advisor") provides portfolio management services for its clients. The Advisor applies its proprietary investment strategies to manage its client's portfolios on a discretionary basis. The Advisor does not provide continuous advice to its clients on the basis of their individual needs. Rather, the Advisor consistently applies its investment strategies in managing its clients' portfolios.</p> <p>INVESTMENT STRATEGIES: I. ZAZOVE CONVERTIBLE STRATEGY This investment strategy has been in place since Dr. Earl Zazove founded E. Zazove and Associates in 1971, the firm's predecessor. Dr. Zazove developed a proprietary valuation model to analyze convertible securities. The management process is anchored by the proprietary valuation model, which seeks to identify statistically undervalued convertible securities with attractive risk/reward characteristics. A convertible security is a corporate bond, preferred stock or similar financial instrument that can be exchanged for a fixed number of shares of common stock. A convertible security generally offers a fixed coupon payment and maturity date. As a result, a convertible security generally has the higher yield and stability typical of corporate bonds. Unlike a bond, however, the security's conversion feature allows the holder to share in the capital appreciation potential of the underlying common stock.</p> <p>The Zazove Convertible Strategy is utilized by the Advisor in managing portfolios under the following investment programs:</p> <p>INVESTMENT GRADE PROGRAM - manages a diversified portfolio of convertible securities by applying the Zazove Convertible Strategy. The portfolios in this program consist of assets invested primarily in securities of United States issuers. The portfolios are subject to restrictions regarding the credit quality of the securities in the portfolios (the portfolios must generally maintain an investment grade average credit rating). The portfolios in this program are not leveraged to a significant degree (generally less than 15%). An investor may have assets managed under the INVESTMENT GRADE PROGRAM through a separately managed account, which generally requires a minimum investment of \$5,000,000 or by an investment in the Zazove Institutional Investment Grade Convertible Fund, L.P., which is limited to certain institutional investors and requires a minimum investment of \$1,000,000. The basic fee schedule for a separately managed account under the INVESTMENT GRADE PROGRAM is an annual rate of 1% on the value of the assets under management. Fees are generally payable in advance on a quarterly basis. Clients may terminate an investment advisory contract upon 45 days prior written notice. The unearned portion of pre-paid fees is refunded promptly. Lower fees for comparable services may be available from other sources. Under certain circumstances fees may be negotiable.</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:
Zazove Associates, LLC

SEC File Number:

801- 34818

Date:

01/01/09

(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: Zazove Associates, LLC | | IRS Empl. Ident. No.: 36-3984373 |
| Item of Form (identify) | Answer | |
| 1.D. (continued) | <p><u>ZAZOVE CONVERTIBLE SECURITIES FUND, INC.</u> - The Zazove Convertible Securities Fund, Inc. is a corporation organized under Maryland law pursuant to Articles of Incorporation filed on November 9, 1998. The Fund offers common stock, par value \$.01, through private placement. The Fund is governed by its Articles of Incorporation and By-Laws. The Fund is registered with the Securities and Exchange Commission under the Investment Company Act of 1940 as a non-diversified management investment company that operates as a closed-end interval fund. The Fund seeks to achieve the long-term returns associated with stock portfolios with reduced volatility. The portfolio in this program consist of assets invested primarily in securities of United States issuers. The portfolio is subject to restrictions regarding the credit quality of its securities. In general, the core portfolio (approximately 80%) seeks to maintain an investment grade average credit rating while the balance of the portfolio is not subject to restrictions with regard to credit quality. The portfolio is not leveraged to a significant degree (generally less than 15%).</p> <p>An investment in the Zazove Convertible Securities Fund, Inc. generally requires a minimum investment of \$50,000. An investor that invests in the Zazove Convertible Securities Fund, Inc. will not be directly subject to a management fee. Rather, the management fee will be a Fund expense.</p> <p><u>GLOBAL PROGRAM</u> - manages a diversified portfolio of convertible securities by applying the Zazove Convertible Strategy. The portfolios in this program consist of assets invested primarily in securities of non-United States issuers. The portfolios are not subject to any restrictions regarding the credit quality of the securities in the portfolios. The portfolios in this program are not leveraged to a significant degree (less than 15% leverage, if any). The GLOBAL PROGRAM is offered to Domestic US taxable investors by investing in the Zazove Global Convertible Fund, L.P., which requires a \$500,000 minimum investment. Non US investors and US tax exempt investors may have assets managed under this strategy by investing in the Zazove Offshore Global Convertible Fund, Ltd. An investor that invests in these funds will not be directly subject to a management fee. Rather, the management fees will be an expense of the fund.</p> <p><u>AGGRESSIVE GROWTH PROGRAM</u> - manages a diversified portfolio of convertible securities by applying the Zazove Convertible Strategy. The portfolios in this program generally consist of securities issued by companies with smaller market capitalization and lower credit ratings. In addition, the portfolios are not subject to any restrictions regarding either the country of the issuer or the credit quality of the securities. The portfolios are leveraged to a significant degree (up to \$2.00 of positions for each \$1.00 of capital). Domestic US taxable investors may have assets managed under this strategy by investing in the Zazove Aggressive Growth Fund, LP, which requires a \$500,000 minimum investment. Non US investors and US tax exempt investors may have assets managed under this strategy by investing in the Zazove Offshore Aggressive Growth Fund, Ltd. An investor that invests in these funds will not be directly subject to a management fee. Rather, the management fees will be an expense of the fund.</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:
Zazove Associates, LLC

SEC File Number:

801- 34818

Date:

01/01/09

(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: Zazove Associates, LLC | | IRS Empl. Ident. No.: 36-3984373 |
| Item of Form (identify) | Answer | |
| 1.D. (continued) | <p>II. ZAZOVE INCOME STRATEGY: This strategy seeks to achieve current returns substantially above those of money market funds and to maintain a high degree of safety. This objective is pursued through a portfolio of convertible securities combined with short positions in related common stocks to hedge the stock market risk associated with these securities. The convertible securities held by the portfolios are generally selected on the same basis as for a portfolio managed under the Total Return Program. An investor may have assets managed under the ZAZOVE INCOME STRATEGY through an investment in the Zazove Income Fund, L.P., which requires a minimum investment of \$1,000,000. An investor that invests in either Fund will not be directly subject to a management fee. Rather, the management fees will be a Fund expense.</p> <p>III. ZAZOVE LEVERAGED CONVERTIBLE ARBITRAGE STRATEGY This strategy seeks to achieve current income and capital appreciation with relatively low volatility. The objective is pursued through a leveraged portfolio of convertible securities and offsetting hedged positions that may consist of short sales, warrants, options or other neutrally hedged financial instruments. The program is offered through investment in two offshore master-feeder fund structures (the "Offshore Funds") (i) Zazove Hedged Convertible Fund, LP and Zazove Offshore Hedged Convertible Fund, Ltd., which utilize modest leverage (up to \$2.00 of positions for each \$1.00 of capital) and (ii) Zazove Convertible Arbitrage Fund, LP and Zazove Convertible Arbitrage Fund, Ltd., which utilize significant leverage (up to \$3.00 of positions for each \$1.00 of capital). The Offshore Funds focus on domestic and global convertible arbitrage opportunities and may acquire positions that are denominated in currencies other than the U.S. dollar. The Offshore Funds will leverage their portfolios through margin borrowing or other borrowing facilities. An investment in the Offshore Funds requires a \$1,000,000 minimum investment. An investor that invests in the Offshore Funds will not be directly subject to a management fee. Rather, the management fees will be an expense of the Fund.</p> <p>IV. ZAZOVE HIGH YIELD CONVERTIBLE STRATEGY This strategy seeks to produce total returns that are significantly higher than that of a traditional high yield bond portfolio with reduced volatility and a lower correlation to other traditional and non-traditional investments. The investment objective is pursued by constructing and managing a diversified portfolio of high yield convertibles securities. The convertible securities held by the portfolios will generally be issued by companies with less than investment grade credit ratings. The portfolios will seek to offer a substantial yield advantage as compared to similarly rated non-convertible debt investments with significant capital appreciation potential. Domestic US taxable investors may have assets managed under this strategy by investing in the Zazove High Yield Convertible Securities Fund, L.P., which requires a \$500,000 minimum investment. Non US investors and US tax exempt investors may have assets managed under this strategy by investing in the Zazove Offshore High Yield Convertible Fund, Ltd. An investor that invests in these funds will not be directly subject to a management fee. Rather, the management fees will be an expense of the fund. An investor may also have assets managed under the ZAZOVE HIGH YIELD CONVERTIBLE PROGRAM through a separately managed account, which generally requires a minimum investment of \$25 million. The basic fee schedule for a</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:
Zazove Associates, LLC

SEC File Number:

801- 34818

Date:

01/01/09

(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: Zazove Associates, LLC | | IRS Empl. Ident. No.: 36-3984373 |
| Item of Form (identify) | Answer | |
| 1.D. (continued) | separately managed account under the ZAZOVE HIGH YIELD CONVERTIBLE PROGRAM is an annual fixed fee of 1% of the value of the assets under management (generally payable in advance on a quarterly basis) plus an incentive fee of 20% of the portfolio's net return in excess of a preferred return equal to the lessor of 5% or the one year LIBOR rate. Under certain circumstances fees may be negotiable. | |
| 2.G./3.K. | <p>The Advisor provides advisory services to the following privately placed investment funds:</p> <p><u>ZAZOVE CONVERTIBLE SECURITIES FUND, INC.</u> The Zazove Convertible Securities Fund, Inc. is a Maryland corporation that is registered with the Securities and Exchange Commission under the Investment Company Act of 1940 as a closed-end interval fund. The Fund's objective is to maximize long-term growth and the preservation of capital primarily through a portfolio of convertible securities. This investment program seeks to achieve the long-term returns associated with stock portfolios with reduced volatility. The Fund consists of assets invested primarily in securities of United States issuers. The Fund's portfolio is subject to restrictions regarding the credit quality of the securities in the portfolio. In general, the core portfolio (approximately 80%) must maintain an investment grade average rating while the balance of the portfolio is not subject to restrictions with regard to credit quality. The portfolio in this program are not leveraged to a significant degree (generally less than 15%).</p> <p>As investment Advisor to the Fund, the Advisor receives a monthly investment advisory fee in an amount equal to the sum of (i) one-twelfth of two percent of the first \$20 million of the Fund's net assets, (ii) one-twelfth of 1.5% of the next \$50 million of net assets and (iii) one-twelfth of 1% of the Fund's net assets in excess of \$70 million.</p> <p><u>ZAZOVE INSTITUTIONAL INVESTMENT GRADE CONVERTIBLE FUND, L.P.</u> The Zazove Institutional Investment Grade Convertible Fund, L.P. is a Delaware limited partnership. The assets of the Fund are managed under the Investment Grade Program. The General Partner, which is owned 75% by the Advisor, receives a monthly investment advisory fee in an amount equal to one-twelfth of one percent of the Limited Partners' capital account balances on the first day of each month. The Fund's objective is to maximize long-term growth and the preservation of capital primarily through a portfolio of convertible securities. This investment program seeks to achieve the long-term returns associated with stock portfolios with reduced volatility. The Fund consists of assets invested primarily in securities of United States issuers. The Fund's portfolio must maintain an investment grade average credit rating.</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:
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| 1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Zazove Associates, LLC | | IRS Empl. Ident. No.: 36-3984373 |
| Item of Form (identify) | Answer | |
| 2.G./3.K. (Continued) | <p><u>ZAZOVE HEDGED CONVERTIBLE FUND, L.P.</u> The Zazove Hedged Convertible Fund, L.P., is a Cayman Islands limited partnership. The assets of the Fund are managed under the Leveraged Hedged Convertible Program. The Advisor receives a monthly investment advisory fee in an amount equal to one-twelfth of one percent of the Limited Partners' capital account balances on the first day of each month. In addition, the general partner is generally entitled to an allocation of 20% of each Partners' "high water profits". The Advisor's profit interest in the Fund is structured to comply with Investment Advisers Act Rule 205-3, which allows for an investment advisor to receive compensation on the basis of a share of capital appreciation.</p> <p><u>ZAZOVE CONVERTIBLE ARBITRAGE FUND, L.P.</u> The Zazove Convertible Arbitrage Fund, L.P., is a Cayman Islands limited partnership. The assets of the Fund are managed under the Leveraged Hedged Convertible Program. The Advisor receives a monthly investment advisory fee in an amount equal to one-twelfth of one percent of the Limited Partners' capital account balances on the first day of each month. In addition, the general partner is generally entitled to an allocation of 20% of each Partners' "high water profits". The Advisor's profit interest in the Fund is structured to comply with Investment Advisers Act Rule 205-3, which allows for an investment advisor to receive compensation on the basis of a share of capital appreciation.</p> <p><u>ZAZOVE GLOBAL CONVERTIBLE FUND, L.P.</u> The Zazove Global Convertible Fund, L.P., is a Delaware limited partnership ("Global Fund"). The Fund's investment objective is to realize current income, long-term growth and the preservation of capital. The assets of the Fund are managed under the Global Program by investing substantially all of its assets in the Zazove Global Master Convertible Fund, LP, a Cayman Islands limited partnership ("Master Fund"). The Advisor receives a monthly investment advisory fee payable by the Master Fund in an amount equal to one-twelfth of one percent of the Global Fund's Class A capital account balance in the Master Fund on the first day of each month. As general partner of the Global Fund, the Advisor is generally entitled to an allocation of 10% of the Class A Partners' "high water profits" for each year. However, the Advisor is generally not entitled to the 10% profit allocation to the extent that a Class A partner's share of losses in the prior periods exceeds its share of profits during those periods. Other restrictions also apply. The Advisor's 10% profit interest in the Fund is structured to comply with Investment Advisers Act Rule 205-3, which allows for an investment advisor to receive compensation on the basis of a share of capital appreciation.</p> <p><u>ZAZOVE AGGRESSIVE GROWTH FUND, L.P.</u> The Zazove Aggressive Growth Fund, L.P. is a Cayman Islands limited partnership. The Fund's objective is to maximize long-term growth and the preservation of capital primarily through a portfolio of convertible securities. The assets of the Fund are managed under the Aggressive Growth Program. As investment Advisor and general partner of the Fund, the Advisor receives a monthly investment advisory fee in an amount equal to one-twelfth of one percent of of the Limited Partners' capital account balances on the first day of each month. In addition, as general partner, the Advisor</p> | |

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**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:
Zazove Associates, LLC

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| 2.G./3.K. (Continued) | <p>is generally entitled to an allocation of 20% of the Fund's "high water profits" for each year. The Advisor's 20% profit interest in the Fund is structured to comply with Investment Advisers Act Rule 205-3, which allows for an investment advisor to receive compensation on the basis of a share of capital appreciation.</p> <p><u>ZAZOVE INCOME FUND, L.P.</u> The Zazove Income Fund, L.P. is a Delaware limited partnership. The Fund's objective is to realize current income, long-term growth and the preservation of capital primarily through a portfolio of convertible securities and short sales. The assets of the Fund are managed under the Zazove Income Strategy. The Advisor receives a monthly investment advisory fee in an amount equal to the sum of (i) one-twelfth of one percent of the Class A Partners' capital account balances on the first day of each month, plus (ii) one-twelfth of two percent of the Class B Partners' capital account balances on the first day of each month. In addition, as general partner, the Advisor is generally entitled to an allocation of 10% of the Class A Partners' "high water profits". However, the Advisor is generally not entitled to the 10% profit allocation to the extent that a Class A partner's share of losses in the prior periods exceeds its share of profits during those periods. Other restrictions also apply. The Advisor's 10% profit interest in the Fund is structured to comply with Investment Advisers Act Rule 205-3, which allows for an investment advisor to receive compensation on the basis of a share of capital appreciation.</p> <p><u>Zazove High Yield Convertible Securities Fund, L.P.</u> The Zazove High Yield Convertible Securities Fund, L.P. is a Cayman Islands limited partnership. The Fund's objective is to realize current income and capital primarily through a portfolio of high yield convertible securities. The assets of the Fund are managed under the Zazove High Yield Convertibles Strategy. As investment advisor and general partner of the Fund, the Advisor receives a monthly investment advisory fee in an amount equal to one-twelfth of one percent of the Limited Partners' capital account balances on the first day of each month. In addition, the Advisor is generally entitled to (i) an allocation of 20% of each Partner's "high water profits" for each year after the Partner achieves a preferred return of the lesser of 5% or the one year LIBOR rate. However, the Advisor is generally not entitled to the 20% profit allocation to the extent that a limited partner's share of losses in the prior periods exceeds its share of profits during those periods. Other restrictions also apply. The Advisor's 20% profit interest in the Fund is structured to comply with Investment Advisers Act Rule 205-3, which allows for an investment advisor to receive compensation on the basis of a share of capital appreciation.</p> | |
| 4.A.(5)/4.B.(8) | METHODS OF ANALYSIS, SOURCES OF INFORMATION, INVESTMENT STRATEGIES: The Advisor's investment strategies are discussed in detail in the prior pages of this Schedule F. | |
| 5./6. | EDUCATION AND BUSINESS BACKGROUND: <u>GENE T. PRETTI</u> - Chief Executive Officer and Senior Portfolio Manager BIRTHDATE: 1-24-61 | |

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**Schedule F of
Form ADV**

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| 5./6. (continued) | <p>EDUCATION: University of Wisconsin, Madison, WI - BBA Finance 1984 University of Wisconsin, Madison, WI - MBA Finance 1985 BUSINESS BACKGROUND: 11-89 - present -Zazove Associates, L.L.C. (and its predecessor),Chief Executive Officer, Sr. Portfolio Manager 8-85 - 11-89 - First Boston Corporation, Institutional Portfolio Sales</p> <p>STEVEN M. KLEIMAN - Chief Operating Officer and General Counsel BIRTHDATE: 9-16-61 EDUCATION: University of Illinois, Champaign, IL - BS Accounting, 1983 University of California at Los Angeles School of Law - JD, 1986 BUSINESS BACKGROUND: 3-94 -present-Zazove Associates, L.L.C. (and its predecessor),COO and General Counsel 7-93 - 3-94 - McDermott, Will & Emery, Partner 9-86 - 7-93 - Skadden, Arps, Slate, Meagher & Flom, Associate</p> <p>MARK R. LUDVIKSEN – Chief Information Officer and Vice President BIRTHDATE: 8-23-65 EDUCATION: Northern Illinois University, DeKalb, IL-Computer Science & Operations Mngnt, 1987 University of Chicago, Chicago, IL – MBA in Finance, 1995 Chartered Finanacial Analyst (CFA) BUSINESS BACKGROUND: 4-92 - present - Zazove Associates, L.L.C. (and its predecessor), Vice-President and Chief Information Officer 8-87 - 4-92 - Noddings & Associates, Inc., Business Systems Manager 6-86 - 1-87 - Signode Corporation, Programmer</p> <p>JOHN W. ZERWECK - Portfolio Manager/Trader BIRTHDATE: 1-23-66 EDUCATION: University of Wisconsin, Madison, WI – BBA Economics, 1988 DePaul University, Chicago, IL - MBA Finance 1991 Chartered Finanacial Analyst (CFA) BUSINESS BACKGROUND: 11-93 - present - Zazove Associates, L.L.C. (and its predecessor), Portfolio Manager/Trader 9-91 - 11-93 - Calamos Asset Management, Trader 9-89 - 9-91 - First American Discount Corp., Clerk 11-88 - 3-89 - CUNA Mutual Insurance, Claims Adjustor</p> | |

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| | <p>CHRISTOPHER B. COOK – Portfolio Manager BIRTHDATE: 3-14-60 EDUCATION: Duke University – BS Mechanical Engineering, 1982 Kellog Graduate School of Management - MBA Finance 1987 Chartered Financial Analyst (CFA) BUSINESS BACKGROUND: 4/00 - present - Zazove Associates, L.L.C. - High Yield Analyst and Portfolio Manager 7/91 - 4/00 Credit Suisse First Boston – Director Institutional Equity Research Sales</p> <p>CHRISTOPHER B. SEWELL – Portfolio Manager/Trader BIRTHDATE: 2/17/71 EDUCATION: Plymouth State College, NH – BS Management, 1993 BUSINESS BACKGROUND: 6/04 - present - Zazove Associates, L.L.C. – Portfolio Manager/Trader 4/03 – 5/04 Bank One Capital Market – Managing Director, Head of Convertible Securities 9/93 – 1/98; 3/00 – 3/03 Deutsche Bank Securities, Inc. (formally NatWest Securities Corp.) – Director, Convertible Securities and Trading 1/98 – 2/00 Schroder & Co., Inc. – Vice President, Convertible Sales and Trading</p> <p>8.C(2)/8.D. OTHER FINANCIAL INDUSTRY ACTIVITIES OR AFFILIATIONS The Advisor is a general partner and investment Advisor to the Zazove Income Fund, L.P., the Zazove Global Convertible Fund, L.P., the Zazove Global Convertible Master Fund, L.P., the Zazove Aggressive Growth Fund, L.P., Zazove High Yield Convertible Securities Fund, L.P., the Zazove Hedged Convertible Fund, L.P. and the Zazove Convertible Arbitrage Fund, L.P. A discussion of these funds is set forth in Item 2.G. above.</p> <p>The Advisor is the investment Advisor to the Zazove Convertible Securities Fund, Inc., which is registered under the Investment Company Act of 1940 as a closed end interval fund. A discussion of this fund is set forth in Item 2.G. above.</p> <p>The Advisor is the investment advisor to the Zazove Institutional Investment Grade Convertible Fund, L.P. The General Partner of this fund is an entity that is owned 75% by the Advisor. A discussion of this fund is set forth in Item 2.G. above.</p> <p>9.D./9.E. PARTICIPATION IN INTEREST IN CLIENT TRANSACTIONS As discussed above, the Advisor is the investment advisor and general partner for a number of investment funds. The Advisor often recommends that prospects invest in these funds. The Advisor discloses its relationship with these funds prior to any such investment.</p> | |

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| 10. | <p>The Advisor or a related person may purchase securities that the Advisor also recommends to its clients. Any such purchase must be approved by the Advisor's executives upon a good faith determination that such purchase will not have a material adverse affect on any investment advisory client. The Advisor requires its employees to receive authorization from an executive officer of the Advisor prior to any purchase or sale of securities.</p> <p>CONDITIONS FOR MANAGING ACCOUNTS</p> <p>An investor may have assets managed under the INVESTMENT GRADE PROGRAM through a separately managed account, which generally requires a minimum investment of \$5,000,000. In addition, an Investor may have assets managed under the INVESTMENT GRADE PROGRAM through an investment in the Zazove Institutional Investment Grade Convertible Fund, L.P., which require a minimum investment of \$1,000,000. See Item 1.D. above for a discussion of the Investment Grade Program.</p> <p>An investor may have assets managed under the LEVERAGED HEDGED CONVERTIBLE PROGRAM through an investment in the master-feeder structures of either (i) the Zazove Hedged Convertible Fund, L.P. and Zazove Offshore Hedged Convertible Fund, Ltd. or (ii) the Zazove Convertible Arbitrage Fund, L.P. and the Zazove Convertible Arbitrage Fund, Ltd., which require a minimum investment of \$1,000,000. See item 1.D. for a discussion of the leveraged hedged convertible program.</p> <p>An investor may have assets managed under the GLOBAL PROGRAM through an investment in the Zazove Global Convertible Fund, L.P. or the Zazove Offshore Global Convertible Fund Ltd., which require a minimum investment of \$500,000.</p> <p>An investor may have assets managed under the AGGRESSIVE GROWTH PROGRAM through an investment in the Zazove Aggressive Growth Fund, L.P. or the Zazove Offshore Aggressive Growth Fund. Ltd., which require a minimum investment of \$500,000. See Item 1.D. above for a discussion of the Aggressive Growth Program.</p> <p>An investor may have assets managed under the ZAZOVE INCOME STRATEGY through an investment in the Zazove Income Fund, L.P., which requires a minimum investment of \$1,000,000. See Item 1.D. above for a discussion of the Zazove Income Strategy.</p> <p>An investor may have assets managed under the HIGH YIELD CONVERTIBLES STRATEGY through an investment in the Zazove High Yield Convertible Securities Fund, L.P. or the Zazove Offshore High Yield Convertible Fund, Ltd., which require a minimum investment of \$500,000. In addition, an investor may have assets managed under the ZAZOVE HIGH YIELD CONVERTIBLE STRATEGY through a separately managed account, which generally requires a minimum investment of \$25,000,000. See Item 1.D. above for a discussion of the Zazove High Yield Convertible Program.</p> | |

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| 10. (continued) 12.A.(1),(2),(3),(4)/12.B. | <p>AN investor may invest in the ZAZOVE CONVERTIBLE SECURITIES FUND, INC. with a minimum investment of \$50,000. See Item 1.D. above for a discussion of the Zazove Convertible Securities Fund, Inc.</p> <p>INVESTMENT OR BROKERAGE DISCRETION</p> <p>Unless otherwise instructed by the client, the Advisor has full discretion to direct the investment of the portfolios that it manages, including decisions as to whether, when and how to buy, sell, exchange, invest, reinvest or retain assets for the portfolio. All such actions must be consistent with the investment policies that are set forth in the investment advisory agreement, or partnership agreement, as the case may be.</p> <p>Unless otherwise instructed by the client, the Advisor has full discretion to place orders for the execution of transactions through such brokers or dealers (referred to collectively as "Brokers") as the Advisor may select. In selecting Brokers to execute transactions, the Advisor will seek the best overall terms available. In assessing the best overall terms available for any transaction, the Advisor will consider such factors as it deems relevant, including, the breadth of the market in the security, the price of the security, the reliability, financial condition and execution capability of the Broker, research services, reasonableness of the commission and other factors. Accordingly, transactions will not always be executed at the lowest available commission.</p> <p>The Advisor may execute brokerage transactions through Brokers who also provide Advisor with "brokerage and research services," as defined in section 28(e)(3) of the Securities Exchange Act of 1934. Commission paid to such Brokers may be in excess of the amount of commission another Broker would charge for the same transaction. Before effecting any such transaction, the Advisor will determine in good faith that the amount of such commission is reasonable in relation to the value of the brokerage and research services provided by such Broker, viewed in terms of both that particular transaction and the Advisor's overall responsibilities to all of its clients. The brokerage and research services will consist of a wide variety of information useful to the Advisor and to all or some of the Advisors' clients. Brokerage and research services may include, among other things, post trade matching services; research reports on companies, industries or securities; economic and financial data; stock quotations; portfolio analysis software; financial or economic publications not targeted to a wide audience; and related services.</p> <p>Brokerage and research services furnished by Brokers may benefit all or only some of the Advisor's clients and could possibly be used in connection with accounts other than those that have paid commissions to the Brokers providing such services.</p> <p>In the event that the Advisor receives services from a Broker that are used for both brokerage and research as defined for purposes of section 28(e)(3) of the Securities Exchange Act of 1934 and for other purposes, such as administration or marketing, Advisor will make a good faith effort to apportion the cost of such services between such services and other purposes. The portion attributable to brokerage and research may be paid through client brokerage commissions. The portion attributable to other purposes will be paid by Advisor.</p> | |

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| 12.A.(1),(2),(3),(4)/12.B. (continued) | <p>In the event that the client directs the Advisor to use of a particular Broker in executing its transactions, there can be no assurance that the most favorable price or execution will be achieved when compared to non-directed brokerage transactions.</p> <p>The Advisor may engage in the practice of placing aggregate orders for the purchase or sale of securities on behalf of its clients. It is often the case that a larger principal transaction can be executed at a more favorable price than multiple smaller orders. In addition, larger broker transactions may often be executed at lower commission costs on a per-dollar basis than multiple small orders. In all cases in which an aggregate order to purchase or sell securities is placed by the Advisor, each account that participates in the aggregated order will participate at the average price and all transactions costs will be shared on a pro-rata basis. The Advisor will act in good faith in the allocation of aggregated orders such that no account is favored over any other account.</p> | |
| 13.B. | <p>Advisor may enter into "cross trades", which are the purchase and sale of securities between accounts managed by Advisor, when Advisor believes such transactions are appropriate and in the best interests of the accounts; provided that an ERISA account may not participate in any "cross trades". Any incremental costs and expenses associated with any such purchase or sale will be borne by the accounts on a proportional basis.</p> <p>The Advisor may occasionally have the opportunity to participate in an initial public offering (IPO) of a company's shares of common stock at the initial offering price. It may often be the case that demand for the IPO is strong and, as a result, trading will occur at a significant premium over the initial offering price. In allocating IPOs among its managed accounts, the Advisor will not make an allocation to an account that generally should not hold common stock per its investment guidelines. As a result, IPOs will generally not be allocated to an investment portfolio managed under the Investment Grade Program, Income Strategy, Leveraged Hedged Strategy or High Yield Strategy. IPOs may generally be allocated to portfolios managed under the Aggressive Growth Program and Global Program. Allocations between these programs will be made on the basis of relative capital as well as the availability of buying power in the accounts at the time of the IPO.</p> <p>ADDITIONAL COMPENSATION</p> <p>Advisor has entered into written agreements with certain persons who may solicit investment advisory clients for the Advisor. The compensation for this service is a percentage of the assets under management or a percentage of the investment advisory fee received from each person who becomes a client of the Advisor. Any such fee will be paid in accordance with the provisions of Rule 206(4)-3 of the Investment Advisers Act of 1940, as amended, and applicable state regulations. No additional charge will be required of a person who becomes a client of the Advisor through such solicitation agreements. These arrangements can be canceled by either party at any time. In all events, such payments are fully disclosed to the client. The cost of any referral fee is born entirely by the Advisor.</p> | |

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