

**Part 2A of Form ADV: *Firm Brochure***

**Joseph J. Locke & Company, Ltd**

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3/31/2011

This brochure provides information about the qualifications and business practices of Joseph J. Locke & Company Ltd. If you have any questions about the contents of this brochure, please contact us at 708-366-2337 or e-mail us at joeloc@jjlco.com.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Joseph J. Locke & Company Ltd. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 115127.

## **Item 2     Material Changes**

The SEC adopted "Amendments to Form ADV" in July, 2010. This Firm Brochure, dated 3/31/2011, is our new disclosure document prepared according to the SEC's new requirements and rules.

As a state-registered investment adviser, our firm is required to comply with the new reporting and filing requirements. Although the format of this document is similar in many respects to previous versions, it does contain additional new information that we were not previously required to disclose.

After our initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

### Item 3 Table of Contents

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

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Part 2(B) Supplement (Joseph J. Locke)
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## **Item 4     Advisory Business**

Joseph J. Locke & Company, Ltd (“JJLCO”) is a state-registered investment adviser with its principal place of business located in Forest Park, Illinois.

JJLCO began conducting business in 1999.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Joseph J. Locke, Director

JJLCO offers the following advisory services to our clients:

### **INDIVIDUAL PORTFOLIO MANAGEMENT**

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy.

During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary and non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Mutual fund shares
- Variable annuities

- Equity securities
- Corporate debt securities
- Commercial paper
- Certificates of deposit
- Municipal securities
- Options contracts on securities

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

## **FINANCIAL PLANNING**

We provide financial planning services, a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client.

Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.

- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicare and elder law.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report.

Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

Typically the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

### **Amount of Managed Assets**

As of 12/31/2010, we were actively managing \$ 36,460,000 of clients' assets on a discretionary basis.

## **Item 5 Fees and Compensation**

### **Individual Portfolio Management**

Individual Portfolio Management fees will be charged as a percentage of assets under management according to the following schedule:

<u>Assets Under Management</u>	<u>Total Annual Fee</u>
\$50,000 - \$100,000	1.50%
\$100,001 - \$500,000	1.25%
\$500,001 - \$1,000,000	1.00%

\$1,000,001 - \$2,000,000	0.75%
Over \$2,000,000	0.60%

All fees are agreed upon prior to entering into a contract with any client. A minimum of \$50,000 of assets under management is required for this service.

Advisory fees are billed quarterly in arrears at the end of each calendar quarter based upon the value (market or fair market value in the absence of market value, plus any credit balance or minus any debit balance), of the client's account at the end of the previous quarter. Fees will be debited from the account in accordance with the client authorization in the Client Services Agreement.

## **FINANCIAL PLANNING**

Our Financial Planning service fees are calculated and charged on an hourly basis, ranging from \$150 to \$300 per hour, depending on the nature and complexity of each client's circumstances.

There is a minimum fee requirement of \$450 for this service. An investment adviser representative of JJLCO will give a pre-consultation fee estimate to the client based on the complexity and needs of the client. All fees are agreed upon prior to entering into a contract with any client.

The client is billed upon completion of the financial plan based on actual hours accrued.

## **ADDITIONAL COMPENSATION**

Joseph J. Locke, principal and investment adviser representative of JJLCO, is an insurance agent for various insurance companies. As such, Mr. Locke, in his separate capacity as an insurance agent, will be able to purchase insurance products for clients.

As a result, he will receive separate, yet customary compensation (i.e., commissions or other sales-related forms of compensation). Mr. Locke may spend as much as two percent of his time on this related activity.

A conflict of interest exists between the interests of Mr. Locke, and those of the advisory clients, creating an incentive for him to recommend investment products based on the compensation received through various insurance companies, rather than on a client's needs. However, clients are under no obligation to act upon any recommendations of Mr. Locke or to effect any transactions through him if they decide to follow the recommendations. Mr. Locke

does not limit his recommendations to products offered by any insurance companies, with all financial planning advice provided being of a generic nature.

## GENERAL FEE INFORMATION

**Limited Negotiability of Advisory Fees:** Although JJLCO has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

**Termination of the Advisory Relationship:** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. In rare instances where we may have charged prepaid fees, upon termination of any account, any such unearned fees will be promptly refunded.

Generally, however, upon termination, a final pro-rated fee will be charged from the last full quarter until the termination date.

**Mutual Fund Fees:** All fees paid to JJLCO advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services.

In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives.



Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

***Additional Fees and Expenses:*** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

***Advisory Fees in General:*** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

## **Item 6 Performance-Based Fees and Side-By-Side Management**

JJLCO does not charge performance-based fees.

## **Item 7 Types of Clients**

JJLCO provides advisory services to the following types of clients:

- Individuals
- High net worth individuals
- Trusts, estates, charitable organizations
- Corporations or other business entities

JJLCO requires a minimum of \$50,000 of assets under management for its portfolio management service.

There is a minimum fee requirement of \$450 for JJLCO's financial planning service.

Please refer to Item 5 of this disclosure brochure for more information on JJLCO's portfolio management and financial planning fees.

## **Item 8      Methods of Analysis, Investment Strategies and Risk of Loss**

### **Methods of Analysis**

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

**Fundamental Analysis.** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Technical Analysis.** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

**Risks for all forms of analysis.** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

### **Investment Strategies**

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

**Long-term purchases.** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

**Short-term purchases.** When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase. A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

**Option writing.** We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

We use “covered calls”, in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

**Risk of Loss.** Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

## **Item 9     Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

## **Item 10    Other Financial Industry Activities and Affiliations**

Joseph J. Locke, principal and investment adviser representative of JJLCO, is an insurance agent for various insurance companies. As such, Mr. Locke, in his separate capacity as an

insurance agent, will be able to purchase insurance products for clients. As a result, he will receive separate, yet customary compensation (i.e., commissions or other sales-related forms of compensation). Mr. Locke may spend as much as two percent of his time on this related activity.

A conflict of interest exists between the interests of Mr. Locke, and those of the advisory clients, creating an incentive for him to recommend investment products based on the compensation received through various insurance companies, rather than on a client's needs. However, clients are under no obligation to act upon any recommendations of Mr. Locke or to effect any transactions through him if they decide to follow the recommendations. Mr. Locke does not limit his recommendations to products offered by any insurance company, with all financial planning advice provided being of a generic nature.

Clients should be aware that the receipt of additional compensation by JJLCO and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. JJLCO endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

## **Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

JJLCO and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

JJLCO's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [joeloc@jjlco.com](mailto:joeloc@jjlco.com), or by calling us at 708-366-2337.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

## **Item 12 Brokerage Practices**

JJLCO does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

### **Directed Brokerage**

As our firm does not have the discretionary authority to determine the broker-dealer to be used or the commission rates to be paid, clients must direct us as to the broker-dealer to be used.

We currently recommend that our clients direct us to use National Financial Services, a subsidiary of Fidelity Investments (hereinafter, "Fidelity"), an unaffiliated FINRA and SIPC-registered broker dealer, for the implementation of all portfolio transactions. Not all advisers require their clients to direct brokerage.

Our firm participates in the Fidelity Institutional Wealth Services Program (hereinafter, "FIWS") sponsored by Fidelity

Clients in need of brokerage and custodial services will have Fidelity recommended to them.

While there is no direct linkage between the investment advice given to clients and our firm's participation in the FIWS program, we receive economic benefits which would not be received if we did not give investment advice to clients. These benefits include:

- \* A dedicated trading desk that services FIWS participants exclusively;
- \* A dedicated service group and an account services manager dedicated to our firm's accounts;
- \* Access to a real-time order matching system;
- \* The ability to 'block' client trades and electronic download of trades, balances and positions;
- \* Access, for a fee, to an electronic interface with FIWS' software;
- \* Duplicate and batched client statements, confirmations and year-end summaries;
- \* The ability to have advisory fees directly debited from client accounts (in accordance with federal and state requirements);
- \* Availability of third-party research and technology;
- \* A quarterly newsletter;

- \* Access to Fidelity mutual funds and to AdvisorChannel.com (internet access to statements, confirmations and transfer of asset status):
- \* Access to Account View (through which clients may access their account information over the internet via our website), Access to over 350 mutual fund families and 4,500 mutual funds NOT affiliated with Fidelity, of which over 2,000 have no transaction fee, ability to have loads waived for our clients who invest in certain Fidelity loaded funds, when certain conditions are met and maintained and the ability to have custody fees waived (when negotiated by the adviser and allowed under certain circumstances).

The benefits we receive through participation in the FIWS program may depend upon the amount of transactions directed to, or amount of assets custodied by, Fidelity.

Participation in the FIWS program results a potential conflict of interest for our firm, as the receipt of the above benefits creates an incentive for us to recommend Fidelity to clients.

Nonetheless, we have reviewed the services of Fidelity and recommend its services based on a number of factors. These factors include the professional services offered, commission rates, and the custodial platform provided to clients. While, based on our business model, we will not seek to exercise discretion to negotiate trades among various brokers on behalf of clients, we will, however, periodically attempt to negotiate lower commission rates for our clients with Fidelity.

### **Trade Aggregation**

JJLCO will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. We will typically aggregate trades among clients whose accounts can be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. JJLCO's block trading policy and procedures are as follows:

- 1) Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with JJLCO, or our firm's order allocation policy.

2) The trading desk in concert with the portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.

3) The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable JJLCO to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.

4) Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.

5) If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.

6) Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.

7) If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by Joseph J. Locke, Principal and Investment Adviser Representative of JJLCO, no later than the morning following the execution of the aggregate trade.

8) JJLCO's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.



9) Funds and securities for aggregated orders are clearly identified on our records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.

10) No client or account will be favored over another.

## **Item 13    Review of Accounts**

### **Individual Portfolio Management**

#### Reviews

While the underlying securities within Individual Portfolio Management services accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

#### Reports

In addition to monthly statements and confirmations of transactions that clients receive directly from their broker-dealer, JJLCO will provide quarterly reports summarizing account performance, balances and holdings.

### **Financial Planning Services**

#### Reviews

While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

#### Reports

Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

All financial plans are prepared and reviewed by Joseph J. Locke, Principal and Investment Adviser Representative of JJLCO.

## **Item 14    Client Referrals and Other Compensation**

JJLCO does not compensate anyone for client referrals.

Our firm and/or our officers are eligible to receive incentive awards (including prizes such as trips or bonuses) for recommending certain types of insurance policies or other investment products that we recommend.

While we endeavor at all times to put the interest of our clients first as part of our fiduciary duty, the possibility of receiving incentive awards creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

## **Item 15 Custody**

We previously disclosed in the Fees and Compensation section (Item 5) of this brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

## **Item 16 Investment Discretion**

For clients granting us discretionary authority to determine which securities and the amounts of securities that are to be bought or sold for their account(s), we request that such authority be granted in writing, typically in the executed investment management agreement.

Should the client wish to impose reasonable limitations on this discretionary authority, such limitations shall be included in this written authority statement. Clients may change/amend these limitations as desired. Such amendments must be submitted to us by the client in writing.

## **Item 17 Voting Client Securities**

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients

maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.

Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

## **Item 18 Financial Information**

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. JJLCO has no additional financial circumstances to report.

JJLCO has not been the subject of a bankruptcy petition at any time during the past ten years.

## **Item 19 Requirements for State-Registered Advisers**

Joseph J. Locke is the Director and Investment Adviser Representative of JJLCO.

Mr. Locke's education and business background can be found in the Supplement to this Brochure (Part 2B of Form ADV Part 2).

**Part 2B of Form ADV: *Brochure Supplement***

**JOSEPH J. LOCKE**

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03/31/2011

This brochure supplement provides information about Joseph J. Locke that supplements the Joseph J. Locke & Company, Ltd. brochure. You should have received a copy of that brochure.

Please contact Joseph Locke if you did not receive Joseph J. Locke & Company, Ltd.'s brochure or if you have any questions about the contents of this supplement.

Additional information about Joseph Locke is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2      Personal, Educational Background and Business Experience**

Full Legal Name      Joseph J. Locke, Principal, Investment Adviser Representative

Title      Principal, Investment Adviser Representative

Year of Birth      1946

### **Education:**

- Northern Illinois University, BS in Business Administration graduated 1968.

### **Business Background:**

- Joseph J. Locke & Company, Ltd., Sole Principal and Investment Adviser Representative from 1999 to present
- US Life Institutional Marketing Group (a subsidiary of USLIFE) from 1995 to 1997
- All American Life (a subsidiary of USLIFE), Vice President and then Senior Vice President from 1997 to 1994
- American General Financial Institutional Marketing Group, President / CEO from 1997 to 1998

## **Item 3      Disciplinary Information**

Mr. Locke has no history of any disciplinary events.

## **Item 4      Other Business Activities**

Mr. Locke is separately licensed as an independent insurance agent of various insurance companies. As such, in his separate capacity as an insurance agent, he will be able to purchase investment products for clients, for which he will receive separate, yet customary compensation.

Mr. Locke may spend as much as 10% of his time on this activity.

## **Item 5      Additional Compensation**

Mr. Locke is eligible to receive incentive awards (including prizes such as trips or bonuses) for recommending certain types of insurance policies or other investment products that JJLCO recommends.

Mr. Locke's participation in the insurance business has been incidental to the primary investment business. As a result, Mr. Locke has received no incentive awards since the formation of JJLCO.

While JJLCO endeavors at all times to put the interest of our clients first as part of our fiduciary duty, the possibility of receiving incentive awards creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

## **Item 6      Supervision**

As Mr. Locke is the only person directly involved in the advisory business of JJLCO, he is solely responsible for all supervision and formulation and monitoring of investment advice offered to clients.

Mr. Locke reviews and oversees all material investment policy changes and conducts periodic testing to ensure that client objectives and mandates are being met.

## **Item 7      Requirements for State-Registered Advisers**

Mr. Locke has no history of any disciplinary events or of any bankruptcies.

