

Part 2A, Appendix 1

Item 1 - Cover Page

B.C. ZIEGLER AND COMPANY
FORM ADV – PART 2A APPENDIX 1 INFORMATION
March 30, 2012

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This Wrap Fee Program Brochure provides information about the Ziegler Unified Management Account program including the relating qualifications and business practices of B.C. Ziegler and Company (“BCZ”). If you have any questions about the contents of this Brochure, please contact us at (312) 263-0110. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about BCZ, including a copy of its Form ADV Part 1, is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2- Material Changes To This Wrap Fee Brochure Since Its Last Annual Update

The SEC adopted “Amendments to Form ADV” in July 2010, which amended the disclosure document that we provide to clients as required by SEC Rules. This firm brochure, dated March 30, 2012, is our disclosure document prepared according to the SEC’s new requirements and rules. Our initial filing of this brochure was on March 31, 2011.

This item serves to provide our clients with a summary of new and/or updated information since the initial filing. 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.

Material changes made since our initial filing of this brochure include:

- Update of assets under management as of December 31, 2011 which now include non-discretionary assets under management.
- A non-discretionary wrap fee program brochure, Appendix 3, has been created.

Item 3

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Item 4 - Service, Fees and Compensation

Besides being a firm specializing in providing investment advisory services, BCZ is also a broker-dealer, and a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). BCZ began its business in September 1983. The firm provides consulting and discretionary and non-discretionary investment management wrap and non-wrap fee services to a wide variety of clients. BCZ is wholly-owned by The Ziegler Companies, Inc., a holding company. The Ziegler Companies, Inc. is owned by various shareholders of which Peter Rittenhouse Kellogg owns 25% or more. BCZ does not control any other firm.

Other advisory services provided by BCZ, including investment management non-wrap and consulting services, are described in BCZ's ADV Part 2A Brochure, and other investment management wrap fee programs can be found in BCZ's ADV Part 2A, Appendix 2 and Appendix 3 Brochures.

A wrap fee is a combined asset-based fee which covers both BCZ's fee for advisory services and the commissions on certain transactions. BCZ's various wrap programs are described below.

As of December 31, 2011, BCZ has assets under discretionary management of \$317,222,128 and non-discretionary assets under management of \$136,909.

A. Wrap Fee Programs

Lockwood Services

Effective May 17, 2010, Lockwood Capital Management, Inc. and Lockwood Advisors were merged into a single company that continues under the name of Lockwood Advisors, Inc. ("Lockwood"). Descriptions of BCZ's services relating to the investment management services offered by Lockwood are provided below.

As an investment counselor to clients, BCZ may recommend the third-party manager services of Lockwood, a firm which offers programs involving selection of third-party managers and various investment strategies. For each program, BCZ assists clients with selecting a Lockwood service program, including Lockwood Investment Strategies ("LIS") or the Lockwood Asset Allocation Portfolios ("LAAP"). BCZ is also the sponsor of the Lockwood Advisors AdvisorFlex Portfolio ("AFP"), whereby Lockwood Advisors serves as the money manager. A description of each of these services is provided below.

Lockwood is an investment adviser independent of BCZ which provides a variety of advisory services to its clients, including (i) serving as the overlay manager for LIS and, in that capacity, selects sub-managers who provide model portfolios for the strategies; (ii) monitoring the performance of client accounts; (iii) maintaining adherence to each client's stated strategy and objectives; and (iv) furnishing reports to clients reflecting account activity. Lockwood also manages LAAP, a mutual fund wrap program and an ETF wrap program and Lockwood Advisors serves as the money manager of the AFP product, for which BCZ is the sponsor.

BCZ assists clients with determining investment objectives and selecting an investment style, both initially and on an ongoing basis. BCZ provides the client with account opening paperwork, brokerage agreement(s), along with copy of BCZ's and Lockwood's respective ADV Part 2A and Appendices. BCZ then submits the financial information, investment objectives and account forms to Lockwood and Pershing LLC, a subsidiary of The Bank of New York Mellon Corporation, ("Pershing") the Account's custodian. Lockwood reviews the information provided by the client and once approved, opens a brokerage account for the client's managed account assets. Pershing is an affiliate of Lockwood.

BCZ also is available to each client on an ongoing basis to meet, receive instructions and provide advice regarding the performance of the client's LIS, LAAP, or AFP account. Clients typically do not meet with managers in the Lockwood programs.

Most securities transactions for client's account in each Lockwood program are processed through Pershing.

Ziegler Unified Managed Account (“ZUMA”) Services

In this program, BCZ invests with full discretionary authority from the client, the securities, cash and/or other assets held in the client’s account (“**Account**”) through Pershing. Transactions are made with due regard for the restrictions each client may impose by written notice to BCZ. Investments may be made in securities of any kind, including but not limited to, mutual funds, exchange traded funds, stocks, bonds and other securities. Services may also include the hiring and termination of third-party money managers as BCZ deems appropriate. All or a portion of the Account may be held in cash or cash equivalents. While providing advice, BCZ may use investment software programs developed by BCZ and others. BCZ relies on the investment information provided by the client to BCZ. Client agrees to inform BCZ in writing of any material change in the client’s circumstances which might affect the manner in which client’s assets should be invested and to provide BCZ with other information as it reasonably requests. BCZ provides, or arranges for the Account’s custodian to provide, client (or client’s designated agent) with a quarterly statement detailing Account positions.

BCZ initiates the steps necessary, including receipt of investment funds to open an Account, and is available to client on an ongoing basis to meet, receive instructions or answer questions. Unless waived by BCZ, a client’s account must be maintained at minimum account size at all times. BCZ will use its judgment in selecting investments and portfolio managers. Investments and portfolio managers that do not have the best historical performance may be used. Losses may result from using ZUMA services.

As services are provided, BCZ will counsel client regarding the performance of the Account.

Lockwood Investment Strategies (“LIS”).

BCZ counsels each client with respect to Lockwood’s LIS services. LIS is a discretionary multi-discipline managed account product in a single portfolio with five core models. Clients may choose from four (4) additional models which include exposure to non-traditional alternative asset classes described below. Lockwood, as an overlay manager, determines asset allocation and selects both sub-managers and specific investment vehicles for each investment style based on its proprietary modeling strategies, as well as its macroeconomic outlook and investment discipline.

The minimum initial investment to establish an LIS account is \$250,000. Depending upon the model or strategy chosen by the client, a portfolio may typically hold between 5 and 350 securities.

Lockwood selects a sub-manager or investment vehicle, such as an exchange-traded fund (“ETF”) or mutual fund, for each investment style. Each sub-manager electronically provides its model portfolio (buy-list) to Lockwood on a daily basis. An overlay manager combines each of the model portfolios into one investment strategies portfolio designed to perform and act similar to the target benchmark for the portfolio. The sub-managers and investment vehicles currently employed in LIS portfolios are subject to change at Lockwood’s sole discretion.

When Lockwood selects investment vehicles for each investment style component of each of the portfolios, a number of factors are evaluated. The amount allocated to an investment style component may determine which instrument may be used by Lockwood to manage that portion of the portfolio. An instrument such as a mutual fund or ETF may be utilized for small allocations. A basket of individual securities supplied by a sub-manager may be used for larger allocations. Lockwood reviews sub-manager and investment vehicle combinations to determine the most effective combination of investments to satisfy the goals of the portfolio.

The Traditional Strategies models, representing various levels of expected risk and return, offered within LIS are:

Model I:	Current Income
Model II:	Growth & Income
Model III:	Conservative Growth
Model IV:	Moderate Growth
Model V:	Growth

Model I is the most conservative model, with the majority of the model allocated to fixed income and the balance to equities while Model V is the most aggressive model, with 100% of the model allocated to equities.

Lockwood shifts its models from time to time based on macroeconomic models and changing investment fundamentals. Lockwood tends to make relatively small adjustments within its allocation models, rather than making significant shifts between asset classes, which may further reduce the volatility of the portfolios.

Alternative Strategies. Lockwood also offers four diversified discretionary portfolios to use within LIS with allocations to alternative asset classes.

Alternative investment vehicles used by Lockwood may include derivatives which are often more volatile than other investments and may magnify the portfolio's gains and losses. An investment vehicle that uses derivatives could be negatively affected if the change in market value of its securities fails to correlate adequately with the values of the derivatives it purchased or sold. Alternative investment products are long-term investments, entail risks that are different from more traditional investments, are intended for sophisticated investors, and involve a high degree of risk including, among other things, the risks inherent in investing in securities and derivatives, using leverage, and engaging in short sales. Clients should be aware that investment in an alternative investment product or strategy is speculative and should not constitute a complete investment program. Also, diversification and strategic asset allocation do not assure a profit or protect against loss in declining markets.

Investment vehicles used in LIS portfolios with alternative investments may employ the use of long and short positions, which may involve risks different from those normally associated with a mutual fund. It is possible that the fund's long positions will decline in value at the same time that the value of the securities sold short increases, thus raising the potential for greater investment loss. Market neutral investing, in using long and short positions, provides no guarantee that it will be successful in limiting the portfolio's exposure to domestic stock market movements, capitalization, sector swings or other risk factors. Investment in a strategy involved in long and short selling may have higher portfolio turnover rates, which may result in additional tax consequences. Short selling involves certain risks, including additional costs associated with covering short positions and a possibility of unlimited loss on certain short sale positions.

Lockwood is a discretionary manager for this portfolio and, in that capacity, may change the asset, style, and investment vehicle allocations within this portfolio at its discretion.

Lockwood Asset Allocation Portfolios ("LAAP").

LAAP, like LIS, is also a discretionary, multi-discipline managed account product in a single portfolio. Lockwood, serving as the portfolio manager, determines asset allocation strategy and selects investment vehicles for each investment style component of the portfolio, based upon

proprietary modeling strategies, macroeconomic outlook and investment research discipline. The five (5) LAAP models are:

Model I:	Current Income
Model II:	Growth & Income
Model III:	Conservative Growth
Model IV:	Moderate Growth
Model V:	Growth

Model I is the most conservative model, with the majority of the model allocated to fixed income and the balance to equities; Model V is the most aggressive model, with 100% of the model allocated to equities. The minimum, initial investment is \$50,000 with minimum subsequent investments of \$1,000.

The portfolios may consist of open and closed-end mutual funds, exchange-traded funds and other types of securities, as determined by Lockwood, in its sole discretion.

AdvisorFlex Portfolios (“AFP”).

AFP is a managed account service whereby Lockwood Advisors is the money manager of the AFP program and BCZ is the sponsor. The AFP program includes three objectives-based strategies (Appreciation, Income and Preservation), with multiple models/asset allocations (“Models”) within each strategy that are intended to align with the different phases of clients life cycle, from wealth accumulation to transition into retirement and ultimately the management and distribution of income. At any time client or BCZ may determine to move up or down one Model level from the originally selected Model. The Models are more fully described in Exhibit B of Lockwood Advisors’ Form ADV 2A.

For each investment selection within a Model, Lockwood Advisors identifies several options from which the Client may choose, including primary investment selections (“Primary Selections”) and alternate investment selections (“Alternate Selections”). Lockwood shall be responsible for implementing certain updates and changes to the Models (“Model Updates”) throughout the life of the client’s AFP account. Lockwood Advisors will provide notice when it identifies a new Primary Selection.

In certain instances when a client selects both Primary Selections and Alternative Selections to complete a Model, the mixture of Primary Selections and Alternative Selections may result in changes to the weightings within an asset allocation. Lockwood may rebalance a client account in such instances as are in the client’s best interests. Lockwood reviews each Account’s drift from the selected Model on a regular basis and rebalances a client account as the circumstances warrant.

BCZ shall have limited discretion to make changes to Primary Selections and Alternative Selections in client’s AFP account and to make other decisions relating to the AFP account on the client’s behalf.

The minimum size for AFP accounts is \$50,000, with minimum, subsequent contributions of \$1,000. Lockwood Advisors in its sole discretion may waive the minimum account size. Accounts may be funded with cash equivalents or shares of investment selections included within a given Model.

Services Considerations

Clients direct that all securities purchase and sale orders for the account be directed to Pershing, which executes and performs clearance of the same. Pursuant to such authorization, Lockwood and others providing services to the account may, in their sole discretion and at client’s risk, purchase, sell, exchange, convert and otherwise trade in the securities and other investments in the account and act on behalf of client in all other matters necessary or incidental to the handling of the account. This

authorization does not grant BCZ, Lockwood or any person providing services under the agreement permission to take delivery or possession of client's funds or securities other than fees due.

Clients acknowledge that BCZ will not be responsible for any loss or liability incurred by reason of any willful or negligent action or failure to act on the part of client's custodian.

Clients should be aware that BCZ's Investment Advisor Representatives ("IARs") are recommending third-party managers who may make different recommendations and effect different trades with respect to the same securities to different advisory clients.

Commissions and executions of certain securities transactions not covered by the wrap service fee, and transaction executions within the wrap program, implemented through the custodian may not be better than the commissions or executions available if the client used another brokerage firm. See "Internal Fees of Funds and Other Excluded Costs" below. However, BCZ believes that the overall level of services and support provided to the client by custodians and broker-dealers for any trades not covered by the wrap fee outweighs the potentially lower costs that may be available from other brokerage service providers.

BCZ may effect transactions placed with BCZ by a client's manager by which client securities are sold to or bought from a BCZ brokerage customer. Such "cross" transactions may be initiated by BCZ after it receives an order from a client's manager if BCZ knows another BCZ brokerage customer may have an interest in meeting the terms of the manager's order and if BCZ also believes that the transaction is suitable. When effecting such transactions, BCZ seeks to obtain best price and execution for both parties by examining the market for the particular security, including obtaining current bid and ask information on the security and making a determination as to what it believes to be a fair price at that time. When seeking to cross transactions, BCZ has a conflict of interest in that it may receive both a commission from both the advisory client and from the brokerage customer found to meet the terms of the manager's order.

By directing the use of Pershing, BCZ and third-party managers providing services may not be in a position to select broker/dealers on the basis of best execution, or commingle or "batch" orders for purposes of execution with orders for the same securities for other accounts.

The trading authorization is a continuing one and remains in full force and effect until terminated by client pursuant to the provisions of this Agreement. The termination of this authorization will constitute a termination of the Agreement.

BCZ does not process transactions through Pershing in return for Pershing referring new clients to BCZ.

Services Fees

Clients agree to pay an annualized, asset-based fee based on the value of assets in the Account in accordance with the schedule set forth below. Actual fees charged may be negotiated with BCZ's IAR providing the services.

TABLE 1

BCZ's Discretionary Management Services (ZUMA)

<u>Account Value</u>	<u>Equity/Balanced</u>	<u>Mutual Funds</u>	<u>Fixed Income</u>
\$0 – \$250K	3.00%	1.40%	1.35%
\$250K – \$500K	2.50%	1.35%	1.25%
\$500K – \$1mil	2.25%	1.10%	1.15%
\$1mil – \$2mil	2.00%	0.90%	1.05%
\$2mil – \$5mil	1.95%	0.80%	1.00%

BCZ's Discretionary Management Services (ZUMA)

<u>Account Value</u>	<u>Equity/Balanced</u>	<u>Mutual Funds</u>	<u>Fixed Income</u>
Above \$5mil	1.50%	0.70%	0.90%

TABLE 2

<u>Lockwood Investment Strategies</u>		<u>Lockwood Asset Allocation Portfolios</u>	
<u>Account Value</u>		<u>Account Value</u>	
\$0-\$500K	3.00%	\$0-\$500K	1.75%
\$500K- 1 mil	2.25%	\$500k- \$1mil	1.35%
\$1 mil-5 mil	2.00%	\$1mil-\$5mil	1.15%
\$5 mil-\$10 mil	1.50%	\$5mil-\$10mil	1.05%
\$10 mil+	1.25%	\$10mil+	0.95%

TABLE 3

Advisor/Flex Portfolios

Account Value

0-500K	1.75%
500k- 1mil	1.35%
1mil-5mil	1.15%
5mil-10mil	1.05%
10mil+	0.70%

The asset-based fee includes all fees and charges for the program services, as applicable, of BCZ and Lockwood, and certain brokerage commissions of BCZ and Pershing only, other than mark-ups, mark-downs, administrative account charges, and administrative charges relating to securities held in a client's account, and for transactions initiated by a client. The fee also excludes commissions on transactions occurring after notice of termination of the services agreement.

The fee is payable quarterly in advance. The first payment is due upon account turnover to the program and is assessed pro rata in the event the agreement is executed at anytime other than the first day of the calendar quarter. Subsequent payments are assessed based upon the value of the account at the end of the previous quarter. If the assets in the account are a combination of equity, mutual fund and fixed income investments, the fee charged may blend the fee rates. BCZ may combine the values of related accounts for fee calculation purposes. In the event a client's account is terminated prior to the last day of a quarter, a pro-rata portion of the charges paid in advance, based on the days remaining in the quarter, are refunded or BCZ is entitled to collect the balance of the fee due. No fee refund is provided for assets withdrawn from an account. BCZ has the right to amend the fee upon 30 days advance written notice to a client.

Fees payable to BCZ and Lockwood for these services are, with the client's prior written acknowledgement, automatically deducted from the client's account when due. The client will receive reports from the account's custodian, showing the fee calculation and fee amounts debited. BCZ and Lockwood will liquidate money market shares to pay the fee and, if money market shares or cash value are not available, other investments will be liquidated. Authorization for the deduction of fees from the managed account is contained in the services agreement.

Should a deposit of greater than \$20,000 be made to an account after a quarterly fee assessment has been made, the account will be billed pro-rata for that deposit. Similarly, if a withdrawal greater than \$1,000 is made, the account will be credited pro-rata for the fee that was previously billed.

The fees paid to BCZ are for BCZ's advisory services and certain, but not all, transaction commissions. (See C. below) BCZ will include the costs of independent third-party manager services in its fee only in those instances where the client has not entered into an agreement directly with the manager.

B. Costs

BCZ's wrap fees shown above may be more or less than that charged by BCZ to another client for similar services, and by other advisers for similar services. Also, BCZ's wrap fee, i.e., the fee covering both advisory services and certain transaction commissions, may be more or less than two fees charged separately for management and transaction brokerage services. The factors that bear upon the cost of services are the size of the account, number of transactions, strategies employed, type of securities within an account, and whether trades are placed through a brokerage firm other than the custodian resulting in per trade commissions being charged to the account.

BCZ does not charge any performance-based fee.

C. Internal Fees of Funds and Other Excluded Costs

In the event that exchange-traded funds or mutual funds are part of a client's portfolio, the mutual funds charge additional and separate internal management fees as described in the fund's prospectus. There may also be occurrences when the fund's charge short term trading fees. Thus, when these funds are in a client's account, two advisory fees are imposed: one internally by the fund, the other by BCZ and Lockwood.

Not all transaction-related expenses are covered by the "wrap" fee schedule shown above. Mark-ups and mark-downs, spreads by market-makers, certain account charges by the custodian, commissions and costs for transactions not placed through BCZ's recommended custodian, commissions on transactions occurring after termination of BCZ's services agreement, and client-ordered transaction commissions are not covered. See the "Services Fees" section above.

D. Wrap Fee Incentives

Because BCZ absorbs transaction costs, its IARs giving advice have a financial incentive not to place transactions frequently since doing so increases the transaction costs to BCZ and thereby reducing its revenue which the IARs share. Thus, an incentive exists in a wrap services program to place trades less frequently. Also, because fees are asset-based, there is an incentive for the IAR to recommend that a client not reduce positions since doing so will reduce the fee to the IAR. Also, IARs may receive more compensation in this program over others which require separate payment for advice, brokerage and other services, thus this financial incentive may also create a conflict of interest.

Item 5 - Account Requirements and Types of Clients

There is a minimum account size of \$250,000 to receive LIS services; \$50,000 for LAAP services; and \$50,000 for AFP and, generally, \$100,000 for BCZ's other discretionary services. However, BCZ and Lockwood may waive these minimums under certain circumstances, e.g., the expectation to receive more assets in the immediate future.

BCZ makes its services available to a wide range of clients including individuals, pension and profit sharing plans, trusts, estates, charitable organization and business entities.

Item 6 - Portfolio Manager Selection

A. Third-Party Managers

When securing the services of third-party portfolio managers, BCZ will generally recommend and use the services of managers it has researched and is familiar with, particularly those within Lockwood's programs. Therefore, managers having better or worse performance may not be considered. Third-party managers are only recommended when the manager's strategy fits within a particular client's investment risk tolerance and objectives.

Third-party portfolio manager performance, like that of investment performance, is reviewed periodically by BCZ and discussed with the client. In most cases, recommendations to replace a third-party portfolio manager are not made based upon short-term performance. When a third-party portfolio manager is replaced, BCZ will attempt to notify the client orally or in writing to obtain the client's consent for the change. However, BCZ and Lockwood are granted authority to change managers even if a client's consent is not obtained. When a third-party portfolio manager is selected, clients will receive that firm's Form ADV Part 2A brochure for review. Clients are encouraged to carefully review the information in the brochure upon receipt.

The performance of third-party managers will not be reviewed by an outside source.

B. Related Managers

IARs of BCZ may act as Account managers. Also, BCZ IARs providing management services may not have experience in portfolio management, thus may not have a history of performance to match against other individuals and management firms. Thus, the IARs providing advice are not subject to the same selection and review process that would occur if third-party managers were being evaluated. However, only seasoned IARs having sufficient securities knowledge, are allowed to provide management services.

C. Business Information

Advisory Business. See Item 4.A.

Performance Based Fees and Side-by-Side Management. BCZ does not charge any performance-based fees. All fees are disclosed above.

Methods of Analysis, Investment Strategies and Risk of Loss. When it provides the advice, BCZ's security analysis methods include, but are not limited to, charting (using charts to track individual security or market movements over time); fundamental analysis (evaluating securities based upon its historical and projected financial performance); and technical analysis (examining technical moves in the price of an issue based upon peer securities or comparisons to an investment sector or index).

BCZ's main sources of information include, but are not limited to, financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, public filings and company press releases.

BCZ does not guarantee the results of the advice given. Thus, significant losses can occur by investing in any security, or by following any strategy, including those recommended or applied by BCZ or third-party managers.

Voting Proxies on Client Securities. BCZ and its IARs in general do not vote proxies on behalf of clients who will receive proxy notices directly from their account's custodian. However, BCZ and its IARs are available to answer questions regarding such notices.

BCZ also does not take any action on legal notices it or a client may receive from issuers of securities held in a client's managed account. However, it is available to answer questions regarding such notices.

Item 7 - Client Information Provided to Portfolio Managers

BCZ will provide third-party managers objective and background information about the client at account inception, and thereafter as changes to such information is provided to BCZ by a client.

Item 8 - Client Contact With Portfolio Managers

Clients are free to contact their BCZ or third-party portfolio manager at any time.

Item 9 - Additional Information

A. Disciplinary Information and Affiliations

BCZ does have certain disciplinary information to report, as follows:

In 2001, BCZ was found to have breached its fiduciary duty to an advisory client sponsoring an employee pension plan. The client alleged BCZ imprudently liquidated certain securities prior to transferring them to a new custodian. BCZ was ordered to pay \$69,829.83 plus interest of \$19,765.88, totaling \$89,589.71.

BCZ entered into a Letter of Acceptance, Waiver and Consent (“AWC”) with the FINRA in 2005 with respect to findings relating to certain corporate bond transaction reporting discrepancies. Shortly after BCZ changed clearing firms, it was notified of the reporting discrepancies which it quickly corrected. Because of the number of trades, which were executed properly by outside money managers, BCZ over-reported the transactions to FINRA. BCZ was censured and fined \$15,000.

In 2010, BCZ entered into an AWC with FINRA with respect to findings relating to the failure to report certain secondary market church bond trades to TRACE after the TRACE rules changed. BCZ was censured and fined \$10,000.

In 2011, BCZ entered into an AWC with FINRA with respect to findings relating to the reporting and supervision of certain secondary market municipal bond transactions. The matter resulted in a censure and fine of \$12,500.

Certain of BCZ’s IARs may have disclosure items. Those matters will be disclosed on the respective IAR’s Part 2b.

Other Financial Industry Activities and Affiliations. Besides being an investment advisory firm, BCZ is a securities broker-dealer. In that capacity, the firm offers and sells a variety of securities to clients in return for commissions and/or fees. Approximately 90% of BCZ’s principals’ and advisory employees’ time is spent on broker-dealer activities.

B. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

BCZ and its employees, officers and directors may buy and sell securities that they recommend to advisory clients for purchase and sale. To the extent possible, BCZ and its employees will process securities transactions (other than open-end mutual fund transactions) for client accounts with or ahead of similar transactions contemplated for their own accounts. To ensure employee transactions are supervised, each BCZ employee is required to file personal transaction reports. In addition, the firm has established a Code of Ethics designed to prevent and detect any conduct not in compliance with applicable state and federal regulations, and to ensure that employee securities account openings and transactions are reported and evaluated for any conflict that may exist with existing accounts.

Review of Accounts and Reports. BCZ does review client accounts receiving services with an eye toward making specific buy, sell or hold recommendations. Performance reports on accounts are provided quarterly by Lockwood. BCZ’s IARs will review manager performance reports with the client at the times requested by the client and at the times it deems appropriate. There is no restriction on the ability of clients to contact BCZ or Lockwood at any time for consultations about their account.

Reports and advice to clients are supervised by the BCZ IAR providing services and are not examined by any third party. In reviewing reports for accuracy, the IAR relies on the accuracy of the custodial reports BCZ receives and mathematical calculations by its software system while producing reports. In isolated cases, where a custodial statement does not provide a market value for a security, such as in the case of a foreign security or certain bonds, reasonable efforts are made to obtain, from various sources, the quarter ending value. The manager's performance for each account is calculated on a time-weighted rate of return basis. The report provides performance results in numerical and graphic formats.

Client Referrals and Other Compensation. BCZ does not currently have any formal client referral relationships. Thus, it does not pay any fee to a third party for making client referrals to it. Also, as indicated above, the firm does not direct brokerage transactions to any third party, including Pershing, in return for client referrals.

Clients should be aware that there is no direct link between Pershing and BCZ in connection with the advice BCZ gives to clients. Pershing, an affiliate of Lockwood, provides BCZ and Lockwood with a range of services and other benefits to help them conduct their businesses. These include securities trading and reporting systems that allow BCZ and Lockwood to communicate electronically with investment research, marketing assistance, billing facilitation and other administrative support services. For these reasons, and the fact that Lockwood and Pershing are affiliated, BCZ and Lockwood have a conflict of interest because use of any other firm as broker or custodian could result in higher operating costs.

Other than the services described above, BCZ and its IARs do not direct transactions and the commissions they generate (soft dollars) to brokerage firms or other parties to receive research or other benefits.

BCZ and its IARs are also licensed to offer securities products and will receive customary commissions for the sale of such products should a client decide to make purchases or sales through BCZ and the IARs which are not covered by the wrap fee. When selling these products, a conflict of interest exists. Both load and no-load funds may be recommended.

Financial Information. BCZ does not receive fees of more than \$1,200 six months or more in advance, thus no financial statement for BCZ is attached. BCZ does not have any financial condition that is reasonably likely to impair its ability to meet its contracted commitment to any client.

Item 10 - Requirements for State-Registered Advisers

Background Information. See the attached Schedule(s) 2.B for background information about management personnel and those giving advice on behalf of BCZ.

Other Business. BCZ is a registered broker-dealer with FINRA and SIPC. It is not engaged in any business other than providing investment advice. As indicated above however, its IARs do offer and sell securities and insurance products.

Legal Events. BCZ and certain of its IARs have been involved in certain legal matters, as referenced in Item 9 above. Please refer to each IAR's respective Part 2b for further disclosure information.

Professional Designations

Certain IARs may be Certified Financial Planners ("CFP"). A description of this professional designation follows.

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and

(3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education - Complete an advanced college level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, and estate planning;
- Examination - Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience - Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics - Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education - Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics - Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

PRIVACY POLICY

It is the policy of BCZ to maintain the security and confidentiality of all customer information. We do not sell or make available personally identifiable customer information to non-affiliated parties. This policy covers all types of personally identifiable customer information, including among other things, personal and financial information provided by customers at the time they open accounts, ongoing transactional activity within accounts, and other personal or financial data furnished to BCZ by customers in the course of the account relationship. These policies apply to all our customers.

As permitted by law and in order to service your account(s) with our firm, BCZ does provide personally identifiable customer information described above to certain third party service providers such as custodians of investment advisory accounts. In each case, we have received assurance from the third party that its respective policies are in accord with our own. We may disclose or report personally identifiable customer information in limited circumstances where we believe in good faith that disclosure is required or permitted by law, for example to cooperate with regulators or law enforcement authorities, resolve customer disputes perform credit or authentication checks, or for institutional risk control.

BCZ collects nonpublic personal information about its customers from the following sources:

1. Account applications;
2. Information related to opening an account and providing investment advice; and
3. Information received from ancillary sources, such as consumer reporting agencies in the course of providing financial services to customers.

The categories of information we collect include personal vital statistics, as well as personal financial data about our client's financial circumstances and objectives.

BCZ restricts access to non-public personal information about you to those employees who need to know that information to provide products or services to you. We have developed and maintain physical, electronic and procedural safeguards to guard your non-public personal information.