

Item 1 – Cover Page

Zeno Consulting Group, LLC
7910 Woodmont Avenue, Suite 455
Bethesda, MD 20814
Ph: 301-312-8947
www.zenocg.com

Date of Brochure: March 2013

This brochure provides information about the qualifications and business practices of Zeno Consulting Group, LLC (“Zeno”). If you have any questions about the contents of this brochure, please contact Steven Glass at 301-312-8947 or at steven.glass@zenocg.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 Zeno is also available on the Internet at www.adviserinfo.sec.gov. You can view our firm’s information on this website by searching for our firm name Zeno Consulting Group or by searching for our firm CRD number **152995**.

*Registration as an investment advisor does not imply a certain level of skill or training.

Item 2 – Material Changes

The following material changes have been made to this disclosure brochure since filing our last annual update in March 2012:

We have expanded our advisory capabilities to include two additional asset classes: Fixed Income and Foreign Exchange. Please see Item 4 – Advisory Business for further details.

We will ensure that you receive a summary of material changes, if any, to this and subsequent disclosure brochures within 120 days after our fiscal year ends. Our fiscal year ends on December 31 so you will receive the summary of material changes, if any, no later than April 30 each year. At that time we will also offer a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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Item 4 – Advisory Business

Zeno is an investment advisor registered with the United States Securities and Exchange Commission (“SEC”) and is a Limited Liability Company formed under the laws of the State of California.

- Zeno Consulting Group, LLC is owned by Glass & Associates, Inc. Glass & Associates, Inc. is wholly owned by Steven Glass.
- Zeno has been registered as an investment advisor since January 2010. Prior to 2010, Zeno was a wholly-owned subsidiary of ITG and was a registered investment advisor doing business as Plexus Plan Sponsor Group.

Description of Primary Advisory Services and Fees

Zeno measures and benchmarks trading costs for money managers, pension funds and brokers. Zeno reviews “single event” trading, such as programs and transitions, as well as quarterly monitoring of ongoing trading processes. The review methodology benchmarks both trading costs (commission and impact) and the cost of filling positions (timing and opportunity). Zeno also provides consulting services to help you improve your trading efficiency.

The types of services and related fee schedules are:

- “Single event” post-transaction analysis, i.e., programs and transitions: \$2,000-\$5,000 per event;
- Transition consulting: Fees are negotiable, and can be a flat rate, or a function of the value of the transition, i.e., an asset-based fee of up to 1 basis point (.01%);
- Analysis of post-trade process, which includes quarterly post-trade reports and analysis of domestic and/or international equities: \$10,000-\$150,000 per year;
- Special consulting projects: Fees are negotiated.

All fees are stated and payable in hard dollars. Annual fees are charged pro-rata quarterly in advance. Some clients compensate Zeno as a third-party research provider through soft dollar arrangements that these clients have established with broker/dealers. Zeno is not involved with choosing brokers for third-party payment. Zeno is not a broker/dealer and does not receive commissions from broker/dealers. Refunds are provided only in the case of non-delivery of the service. Termination of contracts may be made by either party with written notice.

Limits Advice to Certain Types of Investments

Zeno provides investment advice, in the context of assisting clients with their portfolio transitions, on the following types of investments:

- Exchange-listed securities (i.e. stocks)
- Securities traded over-the-counter (i.e. stocks and bonds)
- Foreign Issues (i.e. stocks and bonds)
- Fixed Income
- Foreign Exchange

Zeno does not provide advice on warrants, certificates of deposit, variable life insurance, variable annuities, mutual fund shares, options contracts on securities and commodities, futures contracts on

tangibles and intangibles, interests in partnerships investing in real estate and oil and gas interests, or hedge funds and other types of private (i.e. non-registered) securities.

Tailor Advisory Services to Individual Needs of Clients

Zeno's services are always provided based on the individual needs of each client.

Client Assets Managed by Zeno

Zeno does not manage client assets.

Item 5 – Fees and Compensation

Please see the description of our fees in *Item 4 – Advisory Business*, Description of Primary Advisory Services and Fees. Actual fees charged will be specified in your services agreement with Zeno.

Item 6 – Performance-Based Fees and Side-By-Side Management

Item 6 is not applicable to this Disclosure Brochure because Zeno **does not charge or accept performance-based fees**, which can be defined as fees based on a share of capital gains on or capital appreciation of the assets held within a client's account.

Item 7 – Types of Clients

Zeno generally provides investment advice to the following types of clients:

- Mutual Fund and Fund-of -Funds
- Pension and profit sharing plans
- Endowments, Foundations & Hospitals

Minimum Investment Amounts Required

There are no minimum investment amounts or conditions required for Zeno's provision of advisory services to clients; however, all clients are required to execute an agreement for services prior to Zeno commencing any work for the client.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Zeno's primary business is the analysis of transaction costs associated with investing in equity and fixed income securities, and foreign exchange. Zeno uses the 'implementation shortfall' methodology for analyzing the costs of trading equity and fixed income securities, and foreign exchange. Once the costs associated with each transaction have been measured, various sets of data (including the entire universe) are then 'averaged' using a multifactor linear regression process to compute relevant cost benchmarks for equity transactions during a certain period (usually a calendar quarter). Similar processes are used to compute relevant benchmarks for fixed income and foreign exchange transactions. Zeno does not analyze securities for the purpose of making investment decisions or recommend securities.

Zeno uses trading data provided by its clients from their transaction files and their order management systems. This information is normalized and reformatted by a series of processes and checks, and then stored electronically. The normalized and reformatted data is then provided to third-party service

providers to produce the final reports that Zeno will deliver to clients. During the analysis, client transaction data is combined with market pricing and security reference data that is obtained from outside services such as Bloomberg, IDC, TRACE, Frank Russell Company and Standard & Poor's.

Zeno, when consulting on manager transitions, often develops and recommends a set of trading – as opposed to investing – strategies to minimize costs and information leakage (which raises costs). Manager transitions are the complicated, and frequently costly, process of terminating one or more managers, liquidating or transferring the assets, and then acquiring securities according to the investment parameters of the newly-hired managers. The strategy recommendations made are generally not security-specific; rather, they revolve around larger strategies such as broker-dealer selection and any associated bidding processes, as well as trading urgency, for entire portfolios or baskets of equity securities.

Item 9 – Disciplinary Information

Item 9 is not applicable to this Disclosure Brochure because there are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or integrity.

Item 10 – Other Financial Industry Activities and Affiliations

Zeno is **not** and does **not** have a related company that is a (1) broker/dealer, municipal securities dealer, government securities dealer or broker, (2) investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), (3) other investment adviser or financial planner, (4) futures commission merchant, commodity pool operator, or commodity trading advisor, (5) banking or thrift institution, (6) accountant or accounting firm, (7) lawyer or law firm, (8) insurance company or agency, (9) real estate broker or dealer, or (10) sponsor or syndicator of limited partnerships.

Zeno devotes substantial time and resources towards the provision of its pension consulting and data analysis services, and the majority of these services do not constitute investment advice.

Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading

Code of Ethics Summary

Section 204A-1 of the *Investment Advisers Act of 1940* requires all investment advisers to establish, maintain and enforce a Code of Ethics. Zeno has established a Code of Ethics that applies to all of its associated persons. An investment adviser is considered a fiduciary according to the *Investment Advisers Act of 1940*. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in your best interest at all times. Zeno has a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle for our Code of Ethics which also covers our Insider Trading and Personal Securities Transactions Policies and Procedures. Zeno requires all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and when changes occur, all supervised persons sign an acknowledgement that they have read, understand and agree to comply with our Code of Ethics. Zeno has the responsibility to make sure that the interests of all clients are placed ahead of our firm's or our supervised person's own investment interest. Full disclosure of all material facts and potential conflicts of interest are provided to clients prior to any services being conducted. Zeno and its supervised persons must conduct business in an honest, ethical and fair manner

and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to you. This disclosure is provided to you a summary of our firm's Code of Ethics. However, if you wish to review our firm's Code of Ethics in its entirety, a copy will be provided promptly upon request.

Item 12 – Brokerage Practices

Zeno does not have soft dollar agreements with any broker/dealers. No broker/dealers refer clients to Zeno.

Zeno may, from time to time, recommend a list of brokers deemed qualified to execute the transactions of securities associated with your transition or basket trade. Such lists are based, in part, upon Zeno's access to Investment Technology Group, Inc.'s ("ITG's") database of execution quality, which is based on over 103 million discrete trades (with a combined value of more than 12 trillion dollars) effected in more than 60 markets around the world during the most recent four quarters. The factors considered in determining the list of recommended brokers are historical trading costs (price impact), the cost of filling positions (timing and opportunity costs), commissions (pursuant to the solicitation of competitive bids from brokers), and trading volume. The factors considered in determining the reasonableness of commissions include responses pertaining to commissions received from brokers pursuant to a competitive bidding process, historical trading costs (price impact), the cost of filling positions (timing and opportunity costs), and trading volume as derived from ITG's database as described above.

All fees charged to clients by Zeno are stated and payable in hard dollars. Annual fees are payable quarterly in advance. Some clients compensate Zeno as a third-party research provider through soft dollar arrangements that these clients have established with broker/dealers. Zeno is not involved with choosing brokers for third-party payment. Zeno is not a broker/dealer and does not receive commissions from broker/dealers.

Item 13 – Review of Accounts

Account Reviews and Reviewers

Zeno does not manage accounts or hold securities. When consulting on manager transitions, Zeno provides analysis and monitoring of your trading process until the transition is complete and performs a post-trade analysis of actual costs incurred during a transition. The process can be completed in as little as one trading day, or can continue for several weeks.

Statements and Reports

The manager transition business is not continuous: at any point in time, there may not be any active manager transitions, and there are periods during which transitions for multiple clients occur simultaneously. Information and reports for manager transitions are delivered before, during and after each transition as dictated by the needs of each respective transition.

Item 14 – Client Referrals and Other Compensation

Currently, Zeno does not directly or indirectly compensate any person for client referrals. In the future, Zeno may elect to enter into agreements with other affiliated and non-affiliated persons pursuant to which such party will solicit clients for Zeno in return for a fee. Zeno will comply with the provisions of Rule 206(4)-3 of the Advisers Act with respect to any such agreements for client solicitations.

The only form of other compensation received from advisory services is the fees charged for providing investment advisory services as described in Item 5 of this brochure. Zeno receives no other forms of compensation in connection with providing investment advice.

Item 15 – Custody

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented. According to this definition, Zeno does not have custody of client funds or securities.

Item 16 – Investment Discretion

Zeno does not maintain investment discretion or trading authorization over client accounts.

Item 17 – Voting Client Securities

Zeno will not vote proxies on behalf of any client account.

Item 18 – Financial Information

Item 18 is not applicable to this Disclosure Brochure. Zeno does not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, Zeno has not been the subject of a bankruptcy petition at any time.