

COVER PAGE - FORM ADV 2A

ZWJ Investment Counsel, Inc.

75 14th Street NE, Suite 2900

Atlanta GA 30309-7604

Phone: 404-873-2211, Fax: 404-873-6424

www.zwjic.com

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This brochure provides information about the qualifications and business practices of ZWJ Investment Counsel, Inc, ("ZWJ"). If you have any questions about the contents of this brochure, please contact us at 404-873-2211. 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 ZWJ also is available on the SEC's website at www.adviserinfo.sec.gov.

ZWJ is registered with the SEC. However, this registration, while required by law, does not indicate any established or set level or skill or training on our part.

MATERIAL CHANGES

There have been no material changes to this disclosure brochure since the last annual update of March 2011.

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ADVISORY BUSINESS

ZWJ has been in business since 1974. We provide our clients with investment counseling services consisting primarily of discretionary asset management through the use of equity, fixed income and balanced (between equity securities such as stocks and fixed income securities such as municipal, corporate, government agency, or government bonds) portfolios. Our services and processes are designed to determine and address each client's specific investment needs, circumstances, objectives, time horizon expectations, past investment experience, and risk tolerance. Based upon the information and other data we obtain from our clients, we prepare and provide a written investment policy statement to the client.

We do not provide legal, tax, or accounting advice or services, and you should not assume that we are providing you such services at any time. Also, you should understand that, generally speaking, securities or other investments for which we provide advice to you are not deposits or obligations of any bank, are not endorsed or guaranteed by any bank and are not insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other governmental agency.

The Directors of ZWJ are Clay Jackson, Charles Abney and John Shepard, each of whom is also a principal owner of the firm. The principal owner is Clay Jackson who is Chairman and Chief Executive Officer. Charles Abney and John Shepard are Senior Vice Presidents of ZWJ. The Chief Compliance Officer ("CCO") is Krista Cosgrove. The CCO is supervised by the Directors and reports at least quarterly to the Directors. The amount of client assets we manage on a discretionary basis as of January 31, 2012 is \$1,012,889,142 and the amount of client assets we manage on a non-discretionary basis as of January 31, 2012 is \$27,295,248.

ZWJ has entered into a "wrap fee" arrangement sponsored by LPL Financial which is unaffiliated with ZWJ. In addition, some of our clients may be involved in other wrap fee arrangements with certain brokerage firms or other companies which sponsor such arrangements. Under a wrap fee arrangement, a brokerage firm or other company may recommend retention of a particular investment advisory firm such as ZWJ to manage all or a portion of your assets; pay us our fee for our services; monitor and evaluate our services in managing your assets; execute securities transactions which we implement on your behalf; and provide you with custodial services for your assets. Additionally, the brokerage firm or other company may provide any combination of these services, for a set fee to be paid by you to the brokerage firm or other company. Under a wrap fee arrangement, your assets would be managed by us in the same manner as assets managed by us for our clients not in a wrap fee arrangement although this would be subject to your particular investment needs and objectives, and we may have limited or minimal contact with you where the brokerage firm or other company maintains the direct and primary relationship with you. You should understand that, depending upon the amount of the wrap fee the brokerage firm or other company charges you, the number of securities transactions in your account, the value of custodial or other services you will receive under the arrangement, the amount of the wrap fee may or may not be less than the total cost for such services added together if you obtained them separately. Therefore such arrangement may not be suitable for all clients based on the client's individual financial circumstances and investment goals. You can find more specific information on each wrap fee

arrangement in the wrap fee program brochure which should be available to you from the wrap fee arrangement sponsor. ZWJ does not act as a sponsor of any wrap fee arrangements.

FEES AND COMPENSATION

ZWJ is typically compensated for its investment advisory services by charging you a management fee based on the market value of your assets under our management. The fee schedule is set forth below:

Equity & Balanced Account Management

1% on first \$1,000,000
.75% of 1% on next \$2,000,000
.50% of 1% on next \$7,000,000
Negotiable on amount in excess of \$10,000,000

Fixed Income Management

.60% of 1% on first \$5,000,000
.50% of 1% on next \$5,000,000
Negotiable on amount in excess of \$10,000,000

Fees are billed quarterly in advance based upon the market value of the assets at the end of the preceding quarter, and may be negotiable depending on particular requirements and circumstances of the account. The management agreement may be terminated by either party at any time upon thirty (30) days written notice, which shall be effective when received by the other party. In the event of termination, ZWJ will promptly refund to the client any prepaid, unearned portion of the management fee.

You may pay your fee to us directly upon receipt of an invoice from us or you may authorize your custodian to allow us to directly debit our fee from your account or accounts. Either way, you will receive an invoice directly from us each quarter for our services. If you choose the latter method, your custodian will not confirm our fee but will pay the amount based on the fee amount communicated to the custodian by us and send it directly to us. You will receive a periodic statement from your custodian which will show the amount of the fee which has been sent to us. You should confirm the accuracy of our fee calculation upon receipt of your custodian's statement.

The fees you pay us do not include brokerage commissions or other fees or charges associated with securities transactions implemented with or through a brokerage firm such as mark-ups or mark-downs in principal transactions, deferred sales charges, stock exchange fees, wire transfer or related processing fees, transfer taxes or other charges mandated by law or regulation. All of these items may be charged to you in addition to our fee. We do not receive any portion of any of the foregoing expenses or fees. You should go to the section on Brokerage Practices in our brochure for more

information on how we select or recommend brokerage firms for your securities transactions and information related to that process.

You should understand that mutual funds, including exchange traded funds, in which your assets are invested by us or by others, impose separate investment management fees and other operating expenses, described in the fund's prospectus, for which you, the client, will be charged separately from the fee paid to us for our services.

As discussed in the section on advisory services in our brochure, we may be retained under, or you may be involved in, "wrap fee" arrangements with certain firms where you pay the brokerage firm or other company an agreed upon fee for investment management by us, brokerage commissions, custodial services and possibly consulting services. We receive a portion of the "wrap fee" you pay the brokerage firm or other company for our services. Our portion of the fee generally ranges from .20% to .70% of your assets managed by us depending upon our arrangement with the firm which sponsors the "wrap fee" arrangement.

Clients should be aware that similar or comparable services may be available from other firms including other investment management firms at a cost higher or lower than that available through us.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

This section does not apply to ZWJ Investment Counsel, Inc.

TYPES OF CLIENTS

Our clients include individual persons, pension and profit sharing plans, trusts, estates, charitable organizations and corporations or similar business entities. Generally, our minimum account size is \$1,000,000 although this may be waived based on other considerations such as the account's relationship to established clients or other factors.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

We use several methods of investment analysis and investment strategies to provide services to our clients. Our methods of investment analysis include fundamental analysis which is the analysis of a company's financial statements, its management, competitive advantages, markets, etc. and cyclical analysis which involves the buying and selling of investments when certain financial ratios are low or high. Our investment strategies include long term purchases (securities generally held for at least a year) and short term purchases (securities generally held for less than a year).

The securities we use in our investment strategies and investment advice include equity securities such as exchange listed securities, securities traded over the counter and foreign issues; debt securities of corporations and similar entities; certificates of deposit; municipal and government securities; investment company securities such as mutual fund shares.

Investing in the types of securities used by us in managing your assets or providing you investment advice involves the potential risk of loss in the value of the securities both in the amount invested in the securities as well as any profits which have not been realized by selling the securities. You should be prepared to bear the risk of such losses. The degree of risk depends upon the type of security or strategy involved.

DISCIPLINARY HISTORY

This section does not apply to ZWJ Investment Counsel, Inc. or any of its employees.

OTHER FINANCIAL INDUSTRY AFFILIATIONS

This section does not apply to ZWJ Investment Counsel, Inc. or any of its employees.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

ZWJ has adopted a written Code of Ethics under which all our full time employees are generally restricted from effecting transactions in certain securities for their personal accounts absent written pre-approval. This process seeks to avoid conflicts of interest with transactions being effected in client accounts. Our employees may buy or sell the same securities that we recommend that our clients invest in or that we purchase or sell on our clients' behalf. This presents a conflict of interest between our employees' own financial interest and the best interest of our clients. We have addressed this conflict of interest by imposing trading restrictions on our employees' personal trading based upon investment activity occurring in, or being contemplated for, our clients' accounts. There are certain exceptions from the restrictions which apply to our employees' personal transactions which we do not believe present a conflict of interest between our employees and our clients such as where our employees receive the same averaged price and incur the same proportional transaction costs as our clients through a block order of equity or fixed income securities. Pre-clearance of such transactions is still required. Pre-approval must also be obtained by employees before investing in private placement securities.

Our employees are required to submit quarterly reports relating to their personal transactions and an annual report of their personal securities holdings to us. Our Code of Ethics also contains policies and procedures which are intended to prevent the misuse of material non-public information. A

copy of our Code of Ethics is available to you upon request by contacting us through the contact information provided on the Cover Page of this brochure.

BROKERAGE PRACTICES

ZWJ considers multiple factors in selecting or recommending brokerage firms for our clients' transactions and in determining the reasonableness of the compensation or other remuneration paid to the brokerage firms. In no particular order, these factors include:

- Commission charged by the brokerage firm;
- Promptness and quality of overall execution services provided by the brokerage firm;
- Financial condition, creditworthiness and business reputation of the brokerage firm;
- Research (if any) provided by the brokerage firm;
- Promptness and accuracy of oral, hard copy or electronic reports of execution;
- Ability and willingness to correct errors;
- Promptness and accuracy of confirmation statements;
- Ability to access various market centers;
- The brokerage firm's facilities, including software or hardware provided to the adviser;
- The market in which a security trades;
- Broker-dealer expertise in executing trades for the particular type of security;
- Reliability of the brokerage firm;
- Ability of the brokerage firm to use ECNs to gain liquidity, price improvement, lower commission rates and anonymity;
- Soft dollar program of the brokerage firm; and
- Operational capabilities of the brokerage firm.

Some of these factors will be given more weight than others.

We periodically review our brokerage practices and the reasonableness of compensation or other remuneration paid to brokerage firms and monitor our efforts to seek best execution of client transactions.

Research and Other Soft Dollars Benefits: Where more than one brokerage firm satisfies our criteria, preference may be given to brokerage firms which provide us with certain brokerage and research services and products as allowed by law under Section 28(e) of the Securities Exchange Act of 1934. Payments to brokerage firms for brokerage and research services or products through commission revenue rather than direct cash payments are referred to as "soft dollars". We have

made a good faith determination that the amount of commission is reasonable in relation to the value of the brokerage and research services or products provided by the brokerage firm(s). We use these brokerage and research services and products to benefit all of our clients' accounts not just those clients whose transactions paid for the services.

The brokerage and research services or products received by us under the arrangement described above include general investment research consisting of a wide variety of written reports on individual companies and industries, general economic conditions and pertinent legislative developments as well as currency and interest rate research.

Currently, we receive brokerage and research services under an arrangement as described above only from Charles Schwab & Co., Inc.. That relationship is described below in this section in more detail and, based on our evaluation, allows for best execution on behalf of our clients.

Some of the brokerage and research services or products received by us may have other uses such as client presentations, marketing or other administrative uses. If that is the case, we will make a good faith allocation as to the percentage of the service or product used for brokerage and research services and the percentage used for such other purposes. The percentage attributed to such other purposes will be paid for directly by us in "hard dollars" as a cash expense of ZWJ. Since "hard dollar" costs are a direct expense of ours, there is a conflict of interest in our determination of the appropriate allocation between "soft dollar" and "hard dollar" use of the brokerage and research services or products. Our use of client brokerage commissions or similar costs for transactions to obtain brokerage or research services and products presents a conflict of interest to us because we do not have to internally produce the service or product or purchase it directly elsewhere. This also means that we will have a financial incentive to select or recommend brokerage firms which provide us such brokerage and research services or products rather than based on a consideration of the lowest commission cost to our clients. We address these conflicts of interest through the use of our execution review process as described above.

Charles Schwab & Co., Inc.: We may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab), a FINRA registered broker-dealer, member SIPC, to maintain custody of their assets and to effect trades for their accounts. Although we may recommend that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. ZWJ is independently owned and operated and not affiliated with Schwab.

Schwab provides us with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Institutional and are not otherwise contingent upon our committing to Schwab any specific amount of business such as assets in custody or trading commissions. These services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally

available only to institutional investors or would require a significantly higher minimum initial investment.

For our client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders such as our clients through commissions and other transaction-related or asset-based fees for security trades that are executed through Schwab or that settle into Schwab accounts maintained by our clients.

Schwab Institutional also makes available to us other products and services that benefit us but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist us in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of our fees from the client's account(s); and (v) assist with back-office functions, recordkeeping, and client reporting.

Schwab Institutional also offers other services intended to help us manage and further develop our business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to us. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to us. Schwab Institutional may also provide other benefits to our employees such as educational events or occasional business entertainment. In evaluating whether to recommend that our clients custody their assets at Schwab, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a conflict of interest since our recommendation that our clients maintain accounts at Schwab may be based in part on the availability to ZWJ of all or some of the products or services described above.

Directed Brokerage: We will execute transactions through a particular brokerage firm as a result of your decision to direct us to execute transactions through a particular brokerage firm or as a result of your decision to participate in a "wrap fee" arrangement in which case trades are generally executed through the brokerage firm with which you have entered into the "wrap fee" arrangement. In this situation, you will be responsible for negotiating the commission rates you pay, not us. You should be aware that because of our inability to negotiate commissions and obtain volume discounts, best execution may not be achieved for transactions in your account(s). As a result, transactions in accounts directed by you to a particular brokerage firm may result in higher commissions, greater spreads, or less favorable net prices than would be the case if we were authorized to choose the brokerage firm through which to execute transactions for your account(s).

You should also be aware that disparities in commission charges for similar transactions in different client accounts of ours may exist and that there is a conflict of interest arising from such directed brokerage practices. You should be aware that transactions for accounts where we have been instructed by you, or by the brokerage firm or other company in the event of a wrap fee arrangement, to direct to a specified brokerage firm may be placed subsequent to transactions we enter for client accounts where we determine the brokerage firm through which to execute transactions for clients. This may result in less favorable execution for those accounts where we have been instructed by you to direct trades to a specified brokerage firm for execution.

You should be aware that you have brokerage options which you should consider other than instructing us to direct your transactions to a particular brokerage firm. This includes the use by us of other brokerage firms for execution of client transactions, possibly at a lower commission cost. This option may be available through us.

Blocked Transactions: We may group or block orders from time to time for the same security for more than one client account in order to more effectively execute the orders. This is what is known as a “block transaction”. This process can create trading efficiencies, prompt attention to the order and improved price execution since the block transaction may be executed at various prices but averaged. Therefore, clients whose transactions are part of the block transaction will receive the same average price. Personal transactions of our employees may be included in such block transactions. When such block transactions are not fully executed, we will seek to allocate the executed portion of the block transaction on a basis which we consider fair to our clients over time. Generally, this will mean a random allocation process.

Trade Errors: Errors in executing client transactions may occur from time to time. We will seek to correct any errors in a timely manner so that you will not incur a loss or other costs as a result of any such errors. Any loss or costs incurred as a result of the correction of such errors will be borne by us or by your broker/custodian.

REVIEW OF ACCOUNTS

Our clients’ accounts are reviewed periodically by members of our Investment Committee, although the sequence and frequency of reviews may vary depending upon the particular needs or objectives of the client, or nature of the portfolio. Asset allocation and economic reviews, as well as industry and individual security analysis, are conducted on a weekly basis by our Investment Committee made up of Clay Jackson, portfolio manager; Charles Abney, portfolio manager; John Shepard, portfolio manager; Stacey Ewing, equity analyst; Bradford Young, portfolio manager; Kevin Yang, equity analyst; Krista Cosgrove, portfolio manager; and Glen Carpenter, equity analyst. Factors which may trigger more frequent reviews include change in client investment objectives or circumstances such as retirement or a large contribution or withdrawal to or from an account, significant developments or events specific to a particular security held in the account, or significant market, economic or political developments.

We offer to provide you written reports concerning your account(s) with us on a periodic basis. These reports will include details of the cost basis, market value and income for each security. If you are involved in a wrap fee arrangement as described in the section on Advisory Business, you may receive a report including those assets of yours for which we are providing services directly from the brokerage firm which created the wrap fee arrangement. You should also receive written reports directly from your custodian concerning your account(s) which generally contain information relating to all transactions and other account activity. You should carefully review these statements and compare these statements to statements you receive from us for any discrepancies.

CLIENT REFERRALS AND OTHER COMPENSATION

We may from time to time enter into written agreements with other persons or companies who refer potential clients to us in exchange for a referral or solicitor fee which typically is a percentage of the fee we receive from the referred client for our services. This means that the persons or companies who refer potential clients to us as described will have a financial interest in your selecting us to provide you services. If you are referred to us through an arrangement like this, you will receive a written document which will disclose that we have an arrangement with the solicitor, any affiliation between us and the solicitor, and a description of the compensation the solicitor will receive from us if you establish an account with us. The fee we charge you for our services will not be increased as a result of our use of these referral arrangements.

Charles Schwab & Co., Inc.: We receive client referrals from Charles Schwab & Co., Inc. (“Schwab”) through our participation in Schwab Advisor Network® (the “Service”). The Service is designed to help investors find an independent investment advisor. Schwab is a brokerage firm independent of and unaffiliated with us. Schwab does not supervise us and has no responsibility for our management of your assets or our other advice or services. We pay Schwab fees to receive client referrals through the Service. Our participation in the Service may raise conflicts of interest as described below.

We pay Schwab a participation fee on all referred client accounts that are maintained in custody at Schwab and a non-Schwab custody fee on all client accounts that are maintained at, or transferred to, another custodian. The participation fee paid by ZWJ may be a percentage of the fees the client pays us, a percentage of the value of the assets in your account or a fixed amount and may be subject to a minimum participation fee. We pay Schwab the participation fee for as long as the referred client’s account remains in custody at Schwab. The participation fee is charged to us quarterly and may be increased, decreased or waived by Schwab from time to time. The participation fee is paid by us and not by you. We have agreed not to charge clients referred through the Service fees or costs greater than the fees or costs we charge clients with similar accounts with us who were not referred to us through the Service.

If custody of a referred client’s account is not maintained by, or assets in the account are transferred from, Schwab we would pay Schwab a non-Schwab custody fee. This fee does not apply if the client

was solely responsible for the decision to not maintain custody at Schwab. The non-Schwab custody fee is higher than the participation fees we generally pay in a single year. Thus, we will have an incentive to recommend that your accounts be held in custody at Schwab.

The participation and non-Schwab custody fees will be based on assets in the accounts of clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, we will have an incentive to encourage household members of our clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit our fees directly from your account.

Clients who maintain custody of their accounts at Schwab will not be charged separately for custody but Schwab will receive compensation from our clients in the form of commissions or through transaction related compensation on securities transactions executed through Schwab. Schwab also will receive a fee (generally lower than the commissions on transactions it executes) for clearance and settlement of transactions executed through brokerage firms other than Schwab. Schwab's fees for transactions executed at other brokerage firms are in addition to the other brokerage firm's fee. Thus, we will have an incentive to cause transactions to be executed through Schwab rather than through another brokerage firm although we understand we have a duty to seek best execution of our clients' transactions. Transactions for client accounts maintained in custody at Schwab may be executed through a different brokerage firm than trades for our other clients so transactions in accounts maintained in custody at Schwab may be executed at different times and different prices than transactions in client accounts that are executed at other brokerage firms.

We may also compensate our employees, including our portfolio managers, who refer potential clients to us for our services. Thus, the employee will have a financial interest in the selection of ZWJ by the client for investment management services.

Please refer to the section on Brokerage Practices in our brochure for information on other economic benefits we may receive for providing services to you.

CUSTODY

The custody of your account assets must be maintained at a "qualified custodian" which is typically a brokerage firm or a bank. In addition to any account statements you may receive from us, you will receive account statements directly from your custodian on at least a quarterly basis although you may receive them on a monthly basis. You should carefully review these statements and compare these statements to statements you receive from us for any discrepancies. You should also remember that the statements you receive from your custodian are your official record of your accounts and assets for tax purposes.

Although custody of your account assets will generally be maintained at your qualified custodian as stated above, under limited circumstances, we may be legally deemed to have custody of a client's account assets. These reasons involve our authority to directly debit the client's custodial account to

collect our fee or due to a special relationship we may have with a client such as acting as the client's trustee.

INVESTMENT DISCRETION

We will accept discretionary investment authority over your assets if you agree to such an arrangement. This is typically accomplished through execution of a limited trading authority or similar written authority contained in your client agreement with us or through similar authority contained in a wrap fee arrangement you may execute with the brokerage firm which established the wrap fee arrangement. When executing your client agreement with us, you can further limit the extent of discretionary investment authority to be granted to us although this may impact the level of services we can provide you. You may also place restrictions on our authority such as instructions not to make investments in certain securities or industries or to not sell certain investments you may have due to possible adverse tax consequences to you.

VOTING CLIENT SECURITIES

You should understand that we will not vote proxies or render any advice on proxies solicited by or with respect to certain investments in your account except as otherwise required by, or agreed by us with, the particular account in which case our voting policy is to vote with the management recommendations of the particular company. Required records will be maintained. We will not forward you any proxy materials we inadvertently receive, electronically or otherwise, but you should contact your custodian directly and instruct it to make arrangements for your proxy or litigation materials to be forwarded directly to you or your representative.

FINANCIAL INFORMATION

This section does not apply to ZWJ Investment Counsel, Inc. as we have never filed for bankruptcy nor are we subject to any financial conditions which could impair our ability to meet our obligations to you.