

Part 2A of Form ADV: Firm Brochure

Item 1. Cover Page

**Zerke Advisors, Inc.
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Houston, TX 77002
(713) 236-7715**

This brochure provides information about the qualifications and business practices of Zerke Advisors, Inc. If you have any questions about the contents of this brochure, please contact Frederick C. Zerke at (713) 236-7715 or fred@zerke.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.

Zerke Advisors, Inc. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Zerke Advisors, Inc. is available on the SEC's web site at www.adviserinfo.sec.gov.

Date Prepared 3/13/2012

Item 2 Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published "Amendments to Form ADV" which amends the disclosure document that we provide to clients as required by SEC Rules.

Each year we are required to provide a list of material changes to our form ADV Part 2. During 2011 there were no changes deemed material.

Our Brochure may be requested by contacting Frederick C. Zerke, President at (713) 236-7715 or fred@zerke.com.

Additional information about Zerke Advisors, Inc. is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Zerke Advisors, Inc. who are registered, or are required to be registered, as investment adviser representatives of Zerke Advisors, Inc.

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Item 4 – Advisory Business

Zerke Advisors, Inc. (“Zerke Advisors”), was formed in 1998 as a Texas corporation. Frederick C. Zerke is the sole shareholder of the corporation and he is its only full time employee.

We are a fee-only investment advisor. The only income we receive in our capacity as investment advisor is the fee we charge based on assets under management as set forth in this document.

We pursue a long term buy and hold investment strategy that incorporates the principles of Modern Portfolio Theory (MPT). A major tenet of MPT is that markets are “efficient”, that investor returns are determined by strategic asset allocation decisions and not by market timing and individual security selection. For this reason, once an investor’s assets have been invested pursuant to the asset allocation established with the client at the start of the relationship (see next paragraph) sales and purchases generally occur only after periods of out-performance or under-performance by one or more of the asset classes in which the client is invested.

Prior to investing client assets we meet and talk with clients to help them quantify in financial terms their goals and objectives, to help them understand the nature of the risks and potential rewards that are presented by financial markets, and to help them identify their need and their ability to tolerate these investment risks. With the results of this joint effort we develop a written Investment Policy Statement. The Investment Policy Statement serves as a basis for approaching investment decisions and contains an initial allocation of the assets in the client’s portfolio. It also defines the parameters for selling and buying securities to bring the portfolio back to that allocation as it changes over time. We seek to mitigate equity risk by building broadly diversified equity portfolios employing passively managed mutual funds available only to institutional investors and investment advisors approved by the fund company. We address the risks presented by fixed income markets by investing in passively managed, broadly diversified bond funds that invest in high quality short term securities or by investing in portfolios of high quality short term debt securities and, when appropriate, Treasury Inflation Protected Securities (“TIPS”). We employ asset allocation software to evaluate alternative portfolios to assist the client in selecting long-term strategies that are consistent with the goals in the Investment Policy Statement.

Our services include the following:

- A. Analysis of the client’s financial condition
- B. Recommendation of options to achieve the client’s financial objectives
- C. Implementation of investment strategies, and
- D. Monitoring of performance of investments

Portfolio rebalancing is a central component of Zerke Advisors' investment approach. Quarterly (or more frequently, if warranted) we review each client's account to determine how far the current asset class positions have drifted from the asset allocation the client has approved in the Investment Policy Statement and whether they are within or outside of the agreed tolerance. When out of balance positions exceed the tolerance level, rebalancing is performed.

Zerke Advisors has contracted with BAM Advisor Services, LLC ("BAM") for comprehensive back office support services including trade processing, collection of management fees, record maintenance, report preparation, marketing assistance, and research. We have also contracted with BAM for sub-advisory services with respect to our clients' fixed income accounts. For its services, BAM charges us a fee based on a percentage of the client's assets under management. The fee we charge to clients includes all fees charged by BAM.

In order to ensure continuity of investment advisory services to clients in the event of the death or prolonged incapacity of Frederick C. Zerke, Zerke Advisors has contracted with BAM to act as sub-advisor to clients' portfolios in those circumstances. Zerke Advisors' agreement with BAM provides that BAM may determine, for a period of up to one-hundred eighty days following Mr. Zerke's death or incapacity, to act as sub-advisor and to provide portfolio management and related services to Zerke Advisors' clients. In the event of Mr. Zerke's death or incapacity, and prior to activating BAM's sub-advisory authority, Zerke Advisors shall provide written notice to each client.

Zerke Advisors does not participate in any wrap fee programs.

As of December 31, 2011 Zerke Advisors managed \$36,921,717 in discretionary assets and \$3,421,315 in non-discretionary assets.

Item 5 – Fees and Compensation

The specific manner in which fees are charged by Zerke Advisors is established in a client's written agreement. Although our fees are negotiable and may vary from client to client, the following schedule is typical of our fees. Fees are charged quarterly in advance based upon the value of the client's accounts and are debited from client accounts. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Account Balance Annual Fee

First \$1,000,000	1.00%
\$1,000,001 to \$1,999,999	0.90%
\$2,000,000 to \$2,999,999	0.80%

\$3,000,000 to \$3,999,999	0.70%
\$4,000,000 to \$4,999,999	0.60%
\$5,000,000 to \$5,999,999	0.50%
\$6,000,000 and Over	Negotiable

The annual fee is charged on the entire account balance. Each account may be charged an annual maintenance fee of \$240.00. Our fees are computed and billed quarterly, in advance, and are based on the market value of the account as reflected in the statements of the custodian at that point in time. Initial charges will be prorated for the current quarter. On a quarterly basis we will provide an invoice showing all fees charged.

Our fees are in addition to the internal management fees and expenses charged by mutual funds and money market funds. They are also exclusive of brokerage commissions, transaction fees, wire transfer and electronic fund fees and other related costs and expenses which shall be incurred by the client.

Individual accounts for members of the same family, defined as spouses and children, are assessed fees based on the total account balance of all family accounts. Accounts for business entities and accounts related thereto, including those of the business owner are assessed fees based on the total account balance of all such related accounts. Principals of the firm and their families may receive services at a reduced or waived fee.

Fees are deducted from client accounts quarterly in advance based upon the value of the client's accounts. Clients are not billed directly.

We receive no other compensation of any kind, including commissions, referral fees, or other remuneration in connection with our advisory service.

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

Zerke Advisors does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

Zerke Advisors provides portfolio management services to individuals, corporations, partnerships, families, high net worth individuals, and corporate pension and profit-sharing plans.

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

Our security analysis is based upon a number of factors including those derived by commercially available software technology, securities rating services, general market and financial information, due diligence reviews and specific investment analysis the client requests from time to time. At any time, investing in securities involves risk of loss that *clients* should be prepared to bear.

Our advice is based upon long-term investment strategies that incorporate the principles of MPT. Our investment approach is firmly rooted in the belief that markets are “efficient”, and that investors’ returns are determined principally by asset allocation decisions, not market timing or security selection. We develop diversified portfolios, principally through the use of passively managed, asset class mutual funds, primarily funds offered by Dimensional Fund Advisors (“DFA”) that are available only to institutional investors and clients or a network of carefully selected investment advisors. DFA mutual funds pursue passive investment strategies that maintain consistent asset class exposure and generally have low turnover ratios (they trade infrequently within the funds that they manage, reducing realized gains). We try to minimize costs through use of these low cost mutual funds and by limiting trading to those situations where rebalancing is required. We may also recommend the use of long-term investment techniques such as dollar-cost averaging.

Our main sources of information include commercially available investment services, financial newspapers, periodicals and issuer-prepared information. We regularly attend seminars presented by DFA for investment advisors who utilize their funds. We may also use outside consultants to provide expertise in certain circumstances. DFA also makes available to us research on issues specific to investing pursuant to the tenets of MPT. BAM provides us with technical research on issues specific to the passive strategies that we employ.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Zerke Advisors or the integrity of Zerke Advisors management: There are no such incidents to report.

Item 10 – Other Financial Industry Activities and Affiliations

Zerke Advisors may contract with other firms for administrative services in carrying out its duties under its agreement with the client, including trade processing, collection of management fees, record maintenance and report preparation. In such cases, clients are required to execute a limited power of attorney in favor of these firms as required for them to carry out those services. We currently use BAM, a

registered investment advisor, for such services, plus research and marketing assistance. In the client agreement, clients acknowledge that BAM is acting only as a provider of administrative services to Zerke Advisors, and Zerke Advisors is responsible to the client for all investment advice provided pursuant to the agreement.

Item 11 – Code of Ethics

Zerke Advisors or individuals associated with Zerke Advisors may buy or sell securities identical to those recommended to customers for their personal accounts. Zerke Advisors may also make recommendations or take action with respect to investments for its clients that may differ in nature or timing from recommendations made to or actions taken for other clients or its employees. Because these situations might involve a conflict of interest, Zerke Advisors has established the following restrictions in order to ensure its fiduciary responsibilities:

1. A director, officer or employee of Zerke Advisors shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person associated with Zerke Advisors shall prefer his or her own interest to that of the advisory client, and client transactions always take precedence.
2. Zerke Advisors maintains a list of all securities holdings for itself and anyone who has access to Zerke Advisors' advisory recommendations. These holdings are reviewed on a regular basis by the president of Zerke Advisors.
3. Zerke Advisors requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisors.
4. Any individual who does not comply with these policies may be subject to termination.

Zerke Advisors has adopted a code of ethics that emphasizes the firm's fiduciary duty to its clients. All supervised persons at Zerke Advisors must acknowledge the terms of the Code of Ethics annually.

Clients and prospective clients may obtain a copy of Zerke Advisors' code of ethics upon request.

Item 12 – Brokerage Practices

We recommend Fidelity to clients to act as the custodian for the client's account and to execute trades for the client's account. Each client must sign a separate agreement with Fidelity. In recommending Fidelity, we considered the range and quality of the products the firm offers, the technical support the firm provides, the

firm's execution capability, the commissions to be paid, the financial responsibility of the firm, and the firm's responsiveness to us. Through a limited power of attorney, each client designates Zerke Advisors as the client's agent for the execution of trades in the client's brokerage account. We receive no cash compensation from any brokerage firm for recommending that our clients' accounts be maintained with the brokerage firm; however, an individual brokerage firm will customarily extend various discounts for services and products to us that may not be offered to other investment advisory firms whose clients do not maintain accounts at the brokerage firm. These discounts apply to such products and services as software, mutual fund transaction costs, and seminar and conference fees. Brokerage firms may also make computerized access to clients' accounts available to us at no charge.

Item 13 – Review of Accounts

Pursuant to our investment advisory agreement, each client's account will be reviewed at least quarterly. All reviews will be conducted by Frederick C. Zerke, president of Zerke Advisors. Changing economic or financial conditions may warrant more frequent reviews of client accounts. The number of reviews Mr. Zerke conducts will depend on the number of clients the firm maintains and the client's specific situation. Clients receive quarterly reports concerning the performance of their account.

Item 14 – *Client* Referrals and Other Compensation

We receive no compensation of any kind, including commissions, referral fees, or other remuneration in connection with our advisory service, other than the fees stated in Item 5 above. Zerke Advisors does not receive any economic benefit from anyone who is not a client, nor do we compensate any person for client referrals.

Item 15 – Custody

Under applicable securities regulations, we are deemed to have custody of your assets if you authorize us to instruct your custodian to deduct our advisory fees directly from your account. Your custodian maintains actual custody of your assets. Zerke Advisors, Inc. does not have custody of client assets. Clients receive, at least quarterly, statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Zerke Advisors Inc. urges its clients to carefully review such statements and compare such official custodial records to the account statements that we may provide to them. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Zerke Advisors usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Zerke Advisors observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to Zerke Advisors in writing through the Investment Policy Statement.

Item 17 – Voting *Client* Securities

As a matter of firm policy and practice, Zerke Advisors does not have any authority to and ***will not vote*** proxies for securities held in the Account. Clients retain proxy voting authority over securities held in the Account. Moreover, Client agrees that Advisor will not advise or act for Client in any legal proceedings, including bankruptcies or class actions, involving securities held or previously held by the Account.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Zerke Advisors' financial condition. Zerke Advisors has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Item 19 – Requirements for State-Registered Advisors

Frederick C. Zerke is the only person who currently provides investment advice to clients. In the future, employees who provide investment advice will be required to have appropriate professional education and experience.

Frederick C. Zerke's background is as follows:

Year of birth: 1944

Education following high school: Florida State University, B.A. in History, 1969

University of Arizona, M.S. in Rehabilitation Counseling, 1972

University of St. Thomas, B.A. in Accounting, 1980

Business background during the past five years:

Zerke Advisors, Inc. (formerly known as West Memorial Financial Advisors, Inc.),
President, 1988-present

Frederick C. Zerke, P.C., Certified Public Accountant, 1994-2006

Because we are both SEC-registered and registered in Texas, we are required to respond to this item. Please see Part 2B of Form ADV for information about Frederick C. Zerke.

We are not engaged in any business other than providing investment advice.

We do not charge performance fees.

None of our management persons has ever been involved in a securities arbitration claim or been found liable in a civil action; an action by a self-regulatory organization; or an administrative proceeding.