

# Eleven O'clock Associates, LLC

## **Brochure Dated 5/21/2012**

Contact: Daniel McConlogue, Chief Compliance Officer  
16723 Pheasant Court  
Ft. Myers, Florida 33908  
[www.elevenoclock.net](http://www.elevenoclock.net)

This Brochure provides information about the qualifications and business practices of Eleven O'clock Associates, LLC ("Eleven O'clock Associates"). If you have any questions about the contents of this Brochure, please contact us at (239) 676-5311 or [rmcconlog@elevenoclock.net](mailto:rmcconlog@elevenoclock.net). 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 Eleven O'clock Associates, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

References herein to Eleven O'clock Associates, LLC as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

## **Item 2           Material Changes**

There have been no material changes made to Eleven O'clock Associates, LLC.'s disclosure statement since last year's Annual Amendment filing on March 30, 2011.

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#### **Item 4            Advisory Business**

- A. Eleven O'clock Associates is a limited liability company formed on December 19, 1995 in the State of Connecticut. Eleven O'clock Associates became registered as an Investment Adviser Firm in June 1998. Eleven O'clock Associates is solely owned by Daniel McConlogue.
- B. As discussed below, Eleven O'clock Associates offers to its clients (individuals, business entities, pension and profit sharing plans, trusts, estates and charitable organizations, etc.) investment advisory services, and, to the extent specifically requested by a client, financial planning and related consulting services.

#### **INVESTMENT ADVISORY SERVICES**

The client can determine to engage Eleven O'clock Associates to provide discretionary investment advisory services on a *fee-only* basis. Eleven O'clock Associates's annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under Eleven O'clock Associates's management (between negotiable and 0.75%) as follows:

<u>Market Value of Portfolio</u>	<u>% of Assets</u>
First \$3,000,000	0.75% (0.1875% quarterly)
Next \$2,000,000	0.60% (0.1500% quarterly)
Next \$5,000,000	0.50% (0.1250% quarterly)
Over \$10,000,000	0.40% (0.1000% quarterly)

#### **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

To the extent specifically requested by a client, Eleven O'clock Associates *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis. Eleven O'clock Associates' planning and consulting fees are negotiable, but generally range from \$1,000.00 to \$10,000.00 on a fixed fee basis, and from \$250.00 to \$400.00 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s). Prior to engaging Eleven O'clock Associates to provide planning or consulting services, clients are generally required to enter into a *Financial Planning and Consulting Agreement* with Eleven O'clock Associates setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Eleven O'clock Associates commencing services.

\*In certain situations when Eleven O'clock Associates has been engaged to provide Financial Planning and/or Consulting services for a fee, in addition to Investment Management services, Eleven O'clock Associates may credit the clients account for a portion of the Planning and/or Consulting fees charged. Typically, these situations are

negotiated individually but generally involve one eighth (0.125%) of the total Planning and/or Consulting fee being credited against the future quarterly fees of Eleven O'clock Associates' Investment Management fees. Should the client terminate their Investment Management relationship with Eleven O'clock Associates prior to the full credit having been utilized, any unused credit will expire.

If requested by the client, Eleven O'clock Associates may recommend the services of other professionals for implementation purposes. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Eleven O'clock Associates. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify Eleven O'clock Associates if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Eleven O'clock Associates' previous recommendations and/or services.

### **RETIREMENT CONSULTING**

Eleven O'clock Associates also provides pension consulting services, pursuant to which it assists sponsors of self-directed retirement plans with the selection and/or monitoring of investment alternatives (generally open-end mutual funds) from which plan participants shall choose in self-directing the investments for their individual plan retirement accounts. In addition, to the extent requested by the plan sponsor, Eleven O'clock Associates shall also provide participant education designed to assist participants in identifying the appropriate investment strategy for their retirement plan accounts. The terms and conditions of the engagement shall generally be set forth in a *Retirement Plan Consulting Agreement* between Eleven O'clock Associates and the plan sponsor.

### **MISCELLANEOUS**

**Non-Investment Consulting/Implementation Services.** To the extent requested by the client, Eleven O'clock Associates *may* provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither Eleven O'clock Associates, nor any of its representatives, serves as an attorney, accountant or insurance agent and no portion of Eleven O'clock Associates' services should be construed as same. To the extent requested by a client, Eleven O'clock Associates may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance agents, etc.). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Eleven O'clock Associates. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify Eleven O'clock Associates if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Eleven O'clock Associates' previous recommendations and/or services.

**Please Note: Cash Positions.** At any specific point in time, depending upon perceived or anticipated market conditions/events (there being **no guarantee** that such anticipated market conditions/events will occur), Eleven O'clock Associates may maintain cash positions for defensive purposes. All cash positions (money markets, etc) shall be included as part of assets under management for purposes of calculating Eleven O'clock Associates's advisory fee.

**Client Obligations.** In performing its services, Eleven O'clock Associates shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify Eleven O'clock Associates if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Eleven O'clock Associates' previous recommendations and/or services.

**Disclosure Statement.** A copy of Eleven O'clock Associates' written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement or Financial Planning and Consulting Agreement*.

- C. Eleven O'clock Associates shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, Eleven O'clock Associates shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at anytime, impose reasonable restrictions, in writing, on Eleven O'clock Associates' services.
- D. Eleven O'clock Associates does not participate in a wrap fee program.
- E. As of December 31, 2011, Eleven O'clock Associates had \$61,000,000 in assets under management on a discretionary basis.

## Item 5 Fees and Compensation

- A. The client can determine to engage Eleven O'clock Associates to provide discretionary investment advisory services on a *fee-only* basis.

### INVESTMENT ADVISORY SERVICES

If a client determines to engage Eleven O'clock Associates to provide discretionary investment advisory services on a *fee-only* basis, Eleven O'clock Associates' annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under Eleven O'clock Associates' management (between negotiable and 0.75%) as follows:

<u>Market Value of Portfolio</u>	<u>% of Assets</u>
First \$3,000,000	0.75% (0.1875% quarterly)
Next \$2,000,000	0.60% (0.1500% quarterly)
Next \$5,000,000	0.50% (0.1250% quarterly)
Over \$10,000,000	0.40% (0.1000% quarterly)

### FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent specifically requested by a client, Eleven O'clock Associates *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. Eleven O'clock Associates' planning and consulting fees are negotiable, but generally range from \$1,000 to \$10,000 on a fixed fee basis, and from \$250 to \$400 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

- B. Clients may elect to have Eleven O'clock Associates' advisory fees deducted from their custodial account. Both Eleven O'clock Associates' *Investment Advisory Agreement* and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of Eleven O'clock Associates' investment advisory fee and to directly remit that management fee to Eleven O'clock Associates in compliance with regulatory procedures. In the limited event that Eleven O'clock Associates bills the client directly, payment is due upon receipt of Eleven O'clock Associates' invoice. Eleven O'clock Associates shall deduct fees and/or bill clients quarterly in arrears based upon the market value of the assets on the last business day of the previous quarter.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, Eleven O'clock Associates shall generally recommend that Charles Schwab and Co., Inc. ("*Schwab*") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Schwab* charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged

for individual equity and fixed income securities transactions). In addition to Eleven O'clock Associates' investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

- D. Eleven O'clock Associates' annual investment advisory fee shall be prorated and paid quarterly, in arrears, based upon the market value of the assets on the last business day of the previous quarter. Eleven O'clock Associates generally requires an annual minimum fee of \$7,500. Eleven O'clock Associates, in its sole discretion, may charge a lesser investment management fee and/or waive or reduce its minimum fee requirement based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

The *Investment Advisory Agreement* between Eleven O'clock Associates and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, Eleven O'clock Associates shall debit the account for the pro-rated portion of the unpaid advanced advisory fee based upon the number of days that services were provided during the billing quarter.

- E. Neither Eleven O'clock Associates, nor its representatives accept compensation from the sale of securities or other investment products.

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

Neither Eleven O'clock Associates, nor any supervised person of Eleven O'clock Associates, accepts performance-based fees.

## **Item 7            Types of Clients**

Eleven O'clock Associates' clients shall generally include individuals, business entities, pensions and profit sharing plans, trusts, estates and charitable organizations. Eleven O'clock Associates generally requires an annual minimum fee of \$7,500. Eleven O'clock Associates, in its sole discretion, may charge a lesser investment management fee and/or waive or reduce its minimum fee requirement based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

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

A. Eleven O'clock Associates subscribes to these core beliefs:

- Over time – Not Every Day – markets are efficient and reflect the vast, complex network of information, expectations, agency bias, and human behavior.
- Investors – not speculators – seek to earn the return they should derive from deploying their capital in the equity and fixed income markets. Academic and historic reviews overwhelmingly suggest that 'market timing' and 'individual security selection' are not the dominant factors that influence long term investor success. Asset Allocation is the dominant factor in explaining long term investor success ... or lack of success.
- Evidence from investors and academics alike points to an undeniable conclusion: Returns come from the consistent acceptance of risk.

### Equity Market Factors

- ✓ The Market: stocks have higher expected returns than fixed income.
- ✓ Size: Small company stocks have higher expected returns than large company stocks.
- ✓ Price: Lower priced 'value' stocks have higher expected returns than higher priced 'growth' stocks.

### Fixed Income Factors

- ✓ Maturity: Longer term instruments are riskier than shorter term instruments.
- ✓ Default: Instruments of lower credit quality are riskier than instruments of higher credit quality.

### Across All Investment Markets

- ✓ 'Passive' strategies – as opposed to 'active' strategies that 'trade' to beat, or time markets – seek to earn the return of the respective Asset Class by deploying low cost, low turnover and broad attribution (large number of holdings) on a consistent basis.
- ✓ 'Diversification' is paramount to long term investor control of their portfolio – and paramount to the success of the investor.
- ✓ 'Rebalancing' is a well documented activity that helps investors control their risk profile, and maintain their target allocations over and through the inevitable volatility that comes with all security investments.

B. Eleven O'clock Associates may utilize the following methods of security analysis:

- Fundamental - (analysis performed on historical and present data, with the goal of designing efficient portfolios that target risk and return for the Client's stated goals, and stated tolerance for volatility.)



- Technical – In limited situations Eleven O'clock Associates may be asked to 'manage' a set of assets that are a legacy of a Client – and in those situations Eleven O'clock Associates may perform 'technical' analysis on historic and current data to focus on price, trade volume etc. in an attempt to help the Client determine if the assets should be retained, or liquidated.

Eleven O'clock Associates may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term - Diversified Strategic Asset Allocation
- Short Selling strategies – where it may be prudent to help a Client hedge a position that she may not wish to liquidate, or to help a Client hedge a portfolio due to a special time horizon (college funding for example) where the Client would not want to see the value of the portfolio decline before the 'cash' event takes place... Short Selling requires that the seller 'contracts' for the sale of a 'borrowed' security – with an obligation to ultimately satisfy the obligation with the lender of the security.
- Options (contract for the purchase or sale of a security at a predetermined price during a specific period of time) As with Short Selling (above) this strategy is typically deployed in a defensive manner – for hedging purposes – as opposed to an 'offensive' or short term speculation.

**Please Note: Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Eleven O'clock Associates) will be profitable or equal any specific performance level(s).

- C. Eleven O'clock Associates' methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis Eleven O'clock Associates must have access to current/new market information. Eleven O'clock Associates has no control over the dissemination rate of market information; therefore, unbeknownst to Eleven O'clock Associates, certain analyses may be compiled with outdated market information, severely limiting the value of Eleven O'clock Associates' analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Eleven O'clock Associates' primary investment strategies - Long Term, Diversified Strategic Asset Allocation is a fundamental investment strategy. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop.

In addition to the fundamental investment strategy discussed above, Eleven O'clock Associates may also implement and/or recommend – short selling and/or options transactions, but will do so in an attempt to meet a Clients stated desire to mitigate some

form of risk. Each of these strategies has a high level of inherent risk. (See discussion below).

Short selling is an investment strategy with a high level of inherent risk. Short selling, involves the selling of assets that the investor does not own. The investor borrows the assets from a third party lender (i.e. Broker-Dealer) with the obligation of buying identical assets at a later date to return to the third party lender. Individuals who engage in this activity shall only profit from a decline in the price of the assets between the original date of sale and the date of repurchase. Conversely, the short seller will incur a loss if the price of the assets rises. Other costs of shorting may include a fee for borrowing the assets and payment of any dividends paid on the borrowed assets.

The use of options transactions as an investment strategy involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, the purchase or the recommendation to purchase an option contract by Eleven O'clock Associates shall be with the intent of offsetting/"hedging" a potential market risk in a client's portfolio. **Please Note:** Although the intent of the options-related transactions that may be implemented by Eleven O'clock Associates is to hedge against principal risk, certain of the options-related strategies (i.e. straddles, short positions, etc), may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct Eleven O'clock Associates, in writing, not to employ any or all such strategies for his/her/their/its accounts.

- D. Currently, Eleven O'clock Associates primarily allocates client investment assets among various individual equity (stocks), debt (bonds) and fixed income securities, mutual funds and/or exchange traded funds ("ETFs"); with the vast majority of Client assets deployed in mutual funds and or exchanged traded funds, of which the vast majority are held in 'passive' investment strategies.

## **Item 9            Disciplinary Information**

Eleven O'clock Associates has not been the subject of any disciplinary actions.

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

- A. Neither Eleven O'clock Associates, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither Eleven O'clock Associates, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. Eleven O'clock Associates has no other relationship or arrangement with a related person that is material to its advisory business.
- D. Eleven O'clock Associates does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. Eleven O'clock Associates maintains an investment policy relative to personal securities transactions. This investment policy is part of Eleven O'clock Associates' overall Code of Ethics, which serves to establish a standard of business conduct for all of Eleven O'clock Associates' Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

Eleven O'clock Associates also maintains and enforces policies reasonably designed to prevent the misuse of material non-public information by Eleven O'clock Associates or any person associated with Eleven O'clock Associates.

- B. Neither Eleven O'clock Associates nor any related person of Eleven O'clock Associates recommends, buys, or sells for client accounts, securities in which Eleven O'clock Associates or any related person of Eleven O'clock Associates has a material financial interest.
- C. Eleven O'clock Associates and/or representatives of Eleven O'clock Associates *may* buy or sell securities that are also recommended to clients. This practice may create a situation where Eleven O'clock Associates and/or representatives of Eleven O'clock Associates are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if Eleven O'clock Associates did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of Eleven O'clock Associates' clients) and other potentially abusive practices.

Eleven O'clock Associates has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Eleven O'clock Associates' "Access Persons". Eleven O'clock Associates' securities transaction policy requires that an Access Person of Eleven O'clock Associates must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date Eleven O'clock Associates selects; provided, however that at any time that Eleven O'clock Associates has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. Eleven O'clock Associates and/or representatives of Eleven O'clock Associates *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice could create a situation where Eleven O'clock Associates and/or representatives of Eleven O'clock Associates are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, Eleven O'clock Associates has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Eleven O'clock Associates' Access Persons. Eleven O'clock Associates has a personal Securities transaction policy wherein individual securities (not – mutual funds or exchange traded funds) purchased or sold for Eleven O'clock Associates and/or access personnel are 'grouped' as 'block' trades with the result that all parties receive the same execution – and average price per share.

## **Item 12      Brokerage Practices**

- A. In the event that the client requests that Eleven O'clock Associates recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct Eleven O'clock Associates to use a specific broker-dealer/custodian), Eleven O'clock Associates generally recommends that investment management accounts be maintained at *Schwab*. Prior to engaging Eleven O'clock Associates to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Eleven O'clock Associates setting forth the terms and conditions under which Eleven O'clock Associates shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Eleven O'clock Associates considers in recommending *Schwab* (or any other broker-dealer/custodian to clients) include historical relationship with Eleven O'clock Associates, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Eleven O'clock Associates' clients shall comply with Eleven O'clock Associates' duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Eleven O'clock Associates determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission

rates, and responsiveness. Accordingly, although Eleven O'clock Associates will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Eleven O'clock Associates' investment management fee. Eleven O'clock Associates' best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Eleven O'clock Associates may receive from *Schwab* (or another broker-dealer/custodian) without cost (and/or at a discount) support services and/or products, certain of which assist Eleven O'clock Associates to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by Eleven O'clock Associates may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Eleven O'clock Associates in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist Eleven O'clock Associates in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Eleven O'clock Associates to manage and further develop its business enterprise.

Eleven O'clock Associates' clients do not pay more for investment transactions effected and/or assets maintained at *Schwab* as a result of this arrangement. There is no corresponding commitment made by Eleven O'clock Associates to *Schwab* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**Eleven O'clock Associates' Chief Compliance Officer, Daniel McConlogue, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.**

2. Eleven O'clock Associates does not receive referrals from broker-dealers.
3. Eleven O'clock Associates does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Eleven O'clock Associates will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Eleven O'clock Associates. As a result, client may pay higher commissions or other transaction costs or greater

spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

**Please Note:** In the event that the client directs Eleven O'clock Associates to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Eleven O'clock Associates.

**Eleven O'clock Associates' Chief Compliance Officer, Daniel McConlogue, remains available to address any questions that a client or prospective client may have regarding the above arrangement.**

- B. To the extent that Eleven O'clock Associates provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless Eleven O'clock Associates decides to purchase or sell the same securities for several clients at approximately the same time. Eleven O'clock Associates may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Eleven O'clock Associates' clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Eleven O'clock Associates shall not receive any additional compensation or remuneration as a result of such aggregation.

### **Item 13      Review of Accounts**

- A. For those clients to whom Eleven O'clock Associates provides investment supervisory services, account reviews are conducted on an ongoing basis by Eleven O'clock Associates' Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise Eleven O'clock Associates of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with Eleven O'clock Associates on an annual basis.
- B. Eleven O'clock Associates *may* conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Eleven O'clock Associates may also provide a written periodic report summarizing account activity and performance.

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

- A. As referenced in Item 12.A.1 above, Eleven O'clock Associates may receive an indirect economic benefit from *Schwab*. Eleven O'clock Associates, without cost (and/or at a discount), may receive support services and/or products from *Schwab*.

Eleven O'clock Associates' clients do not pay more for investment transactions effected and/or assets maintained at *Schwab* as a result of this arrangement. There is no corresponding commitment made by Eleven O'clock Associates to *Schwab* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**Eleven O'clock Associates' Chief Compliance Officer, Daniel McConlogue, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.**

- B. If a client is introduced to Eleven O'clock Associates by either an unaffiliated or an affiliated solicitor, Eleven O'clock Associates *may* pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from Eleven O'clock Associates' investment management fee, and shall not result in any additional charge to the client. If the client is introduced to Eleven O'clock Associates by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of Eleven O'clock Associates' written Brochure with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between Eleven O'clock Associates and the solicitor, including the compensation to be received by the solicitor from Eleven O'clock Associates.

## **Item 15            Custody**

Eleven O'clock Associates does not custody Client assets. However, Eleven O'clock Associates shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Eleven O'clock Associates may also provide a written periodic report summarizing account activity and performance.

**Please Note:** To the extent that Eleven O'clock Associates provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Eleven O'clock Associates with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of Eleven O'clock Associates' advisory fee calculation.

## **Item 16          Investment Discretion**

The client can determine to engage Eleven O'clock Associates to provide investment advisory services on a discretionary basis. Prior to Eleven O'clock Associates assuming discretionary authority over a client's account, the client shall be required to execute an *Investment Advisory Agreement*, naming Eleven O'clock Associates as the client's attorney and agent in fact, specifically limited to the granting of full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage Eleven O'clock Associates on a discretionary basis may, at anytime, impose restrictions, **in writing**, on Eleven O'clock Associates' discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe Eleven O'clock Associates' use of margin, etc.).

## **Item 17          Voting Client Securities**

- A. Eleven O'clock Associates does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact Eleven O'clock Associates to discuss any questions they may have with a particular solicitation.

## **Item 18          Financial Information**

- A. Eleven O'clock Associates does not solicit fees of more than \$500 per client, six months or more in advance.
- B. Eleven O'clock Associates is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. Eleven O'clock Associates has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: Eleven O'clock Associates' Chief Compliance Officer, Daniel McConlogue, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**



**Item 19            Requirements for State Registered Investment Advisers**

- A. Daniel McConlogue is the Managing Member of Eleven O'clock Associates, LLC. For more information about Mr. McConlogue, please see Mr. McConlogue's Brochure Supplement to this Brochure.
- B. Eleven O'clock is not engaged in any other business than as set forth in this Brochure.
- C. Neither Eleven O'clock, nor its representatives, accepts performance-based fees.
- D. Neither Eleven O'clock, nor its representatives, has been the subject of any disciplinary actions.
- E. Neither Eleven O'clock, nor its representatives, has any relationship or arrangement with any issuer of securities.

**ANY QUESTIONS: Eleven O'clock's Chief Compliance Officer, Daniel McConlogue, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**