

Gregory, Zent & Swanson

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This brochure provides information about the qualifications and business practices of Gregory, Zent & Swanson, Inc. If you have any questions about the contents of this brochure, please contact us at (260) 432-3763. 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.

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

Additional information about Gregory, Zent & Swanson, Inc is also available on the SEC's website at www.adviserinfo.sec.gov

Material Changes

On July 28, 2010 the United States Security and Exchange Commission published "Amendments to Form ADV" which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated May 2011 is a new document prepared according to the SEC's new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to our new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

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Item 4 -Advisory Business

Gregory, Zent & Swanson, Inc. under the direction of Christopher J. Swanson deals in advisory services for securities accounts with \$50,000 or more in assets. Presently, the firm is registered as an investment adviser in the State of Indiana.

At the time an advisory agreement is entered into, Gregory, Zent and Swanson Inc. establishes investment objectives of the client. Investments are then made in a manner consistent with the stated investment objectives.

Gregory, Zent & Swanson through its clearing firm, Pershing, provides the client with confirmations of every transaction as well as a monthly statement summarizing all transactions and providing a portfolio summary of account assets including current fair market values. Gregory, Zent & Swanson provides each advisory client with a quarterly statement summarizing activity and showing change in value of assets during that period. Our fee schedule for managed accounts is listed in the following Item 5.

Sales commissions are charged to the account as transactions occur. No management fee is charged for the first calendar quarter or any portion thereof in which the account is established. Thereafter, a quarterly management fee will be charged to the account at the beginning of each quarter based upon the fair market value of assets in the account on the last day of the previous quarter as evidenced by the monthly portfolio statement. The fee will be charged directly to the account unless otherwise specified.

All items of income and gain will be immediately credited to each account and reinvested unless the client directs that such items be paid out. The client may add or withdraw cash or securities at any time, but a letter of authorization is required to authorize withdrawals.

Gregory, Zent & Swanson will not aggregate transactions unless we believe that aggregation is consistent with our duty to seek best execution (which includes the duty to seek best price) for our clients and is consistent with the terms of Gregory, Zent & Swanson, Inc. investment advisory agreement with each client for which trades are being aggregated.

In purchasing or selling securities, we often purchase or sell the same security at the same time for a number of clients which may include personnel or former personnel of Gregory, Zent & Swanson, Inc. In order to assure efficiency of execution and the same execution price per client, these trades are aggregated

or bunched. That is, an order for the total number of shares to be purchased or sold is entered and allocated among each participating account.

Purchase and sale of client securities take precedence over any personal transactions of Gregory, Zent & Swanson, Inc. and its personnel. Purchase and Sale prices on any day would be better or at least as good for the clients. A record of all personal trades for Gregory, Zent & Swanson, Inc. and its personnel will maintained by Christopher J. Swanson, President and Jiya L. Jain, Executive Vice President.

No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average price for all Gregory, Zent & Swanson, Inc.'s transactions in that security on a given business day.

Most aggregated orders are completely filled on the same day they are entered. In the event an order is not completed, Christopher Swanson will determine which clients will not participate in the transaction. His decision will be based upon additional factors which may include the cash position of a client's account, and the extent to which that industry or market segment is already represented in the client's account.

Gregory, Zent & Swanson, Inc. will not receive any additional compensation or remuneration of any kind as a result of the proposed aggregation.

It should be noted that even though all clients receive the same execution price, the total transaction cost for these transactions may vary from client to client. This arises from the following causes: 1) differences in commissions applied to the transaction based upon the number of shares traded per account based upon our general commission schedule for managed accounts that pay management fees; 2) separate commission arrangements for discretionary accounts that do not pay management fees.

Gregory, Zent & Swanson, Inc.'s commission structure is based on number of shares in a transaction and whether the account is fee-based or commission only. This will cause significantly higher commissions for accounts that are commission only and particularly smaller accounts where the transaction is less than 500 shares. All accounts are subject to a minimum commission of \$25.00 per trade. Our general commission schedules are listed in the following Item 5.

Clients include discretionary accounts that pay a fee and discounted commissions and other accounts that are commission only. Commission only accounts may be discounted, but significantly less than fee accounts. Although the practice is very limited, fees and commissions may be negotiated. Such cases might pertain to long-standing relationships, charitable institutions and where the only service is execution.

Gregory, Zent & Swanson, Inc. does not compensate entities or individuals unless they meet the required registrations.

The advisory agreement may be terminated by either party at any time. There is no penalty for terminating the account. Upon termination, the client would receive a refund for the portion of prepaid management fee which has not been earned.

Pershing maintains custody of all client securities and funds. We utilize Pershing as our clearing firm, and execute transactions for both exchange listed and over-the-counter securities through Pershing. Normally best price and execution is obtained for over-the-counter transactions by executing directly with a market maker on a principal basis. Pershing may or may not be a primary market maker in issues that we are buying or selling.

12b(1) Fees – In situations in which Gregory, Zent & Swanson, Inc. or its related persons recommend the use of mutual funds as an investment for particular clients, some mutual funds pay to the advisor and/or its related parties distribution fees known as “Rule 12b-1 fees”. In situations in which such mutual funds are maintained in client investment advisory accounts, the value of the mutual funds is not subject to the investment advisory fee charged by the advisor.

Mutual Funds

A number of our clients utilize mutual funds for all or a portion of their investment portfolio. The decision to use mutual funds as opposed to individual securities is based upon a number factors including:

- The client’s previous investment experience
- The size of the investment and need for diversification

The following information will provide you with a general background of Mutual Fund charges, expenses and fees. This information should be helpful to you in determining whether mutual funds are an appropriate investment vehicle for you.

Charges, expenses and fees vary from fund to fund. Therefore, you need to review the prospectus and statement of additional information for each fund you are considering to identify differences in these costs among funds. In addition, you need to determine whether the specified investment strategy of a particular fund is compatible with your investment objective.

Generally, mutual funds have three distinct types of charges and expenses:

Sales Charges

Expense Management Fees

Sales Charges

Many mutual funds offer multiple Share Classes with different cost and expense structures. Most commonly these are designated as Class A, Class B, and Class C Shares. In choosing a share class, you need to consider the differences in these structures and determine which Share class best fits your particular circumstances.

Generally Class A shares carry a “front end sales charge” (also called a load), that is deducted from your investment at the time you purchase fund shares. This sales charge is a percentage of your total purchase.

Class B and C shares normally do not have front end sales charges. Instead, investors who purchase Class B or C shares pay asset-based sales charges that may be higher than those applied to Class A shares. Investors who purchase Class B and C shares may also be required to pay a sales charge known as a contingent deferred sales charge when shares are sold, usually if sale occurs within a specified number of months or years of purchase.

Breakpoint Discounts

Most mutual funds offer investors ways to qualify for breakpoint discounts on sales charges associated with Class A Shares. In most cases, these discounts are provided to investors who make large purchases at one time. The amount of the discount depends upon the size of the purchase. Normally, as the amount of the purchase increases and reaches higher breakpoint levels, the percentage used to determine the sales load decreases. Mutual fund prospectuses include tables that illustrate the available breakpoint discounts and the investment levels at which these discounts apply.

Rights of Accumulation

Many mutual funds allow investors to count the value of previous purchases of the same fund or another fund within the same fund family to be added to the current purchase to qualify for breakpoint discounts. In addition, mutual funds allow investors to count existing holdings in multiple accounts, such as IRAs, accounts at other broker-dealers and in some cases accounts held with or by related family members to qualify for breakpoint discounts.

If you are considering a purchase of mutual fund shares through your account at our firm and you own shares of the same mutual fund or another fund of the same mutual fund family in the types of accounts referenced above, it is important that you disclose this information to us so that we can determine whether you qualify for a breakpoint discount.

Letters of Intent

Most mutual funds allow investors to qualify for breakpoint discounts by signing a Letter of Intent. The Letter of Intent indicates the investor's intent to make multiple purchases of Class A shares of a specified breakpoint amount within a defined time period (usually 13 months)

When the Letter of Intent is submitted with the initial purchase, the mutual fund will apply the discount to all purchases. If an investor fails to invest the amount specified in the Letter, the fund will retroactively deduct the correct sales charge based upon the amount actually invested.

Expenses

Each mutual fund prospectus provides a listing of fund expense factors and shows them as a percentage of fund assets. Some funds break this expense factor out into different subcategories.

These expenses are primarily the expenses of day to day operation of the fund. This would include such things as:

- Developing and printing prospectuses and other materials
- Producing and mailing investor statements
- Cost of supplies
- Employee salaries

These expenses vary from fund to fund and will also vary between different fund categories.

In addition to General expenses, mutual funds disclose a separate charge for Management fees. This is a contracted fee with an investment manager or Management Company which covers the investment manager's cost of operation including research and employee salaries.

Item 5 - Fees and Compensation

The current fee schedule for managed accounts is:

<u>ACCOUNT VALUE</u>	<u>ANNUAL %</u>
First \$500,000	1%
500,000 – 1,000,000	.75%
Over 1,000,000	.50%
Minimum Account Fee	\$500.00

All fees are subject to negotiation.

The specific manner in which fees are charged by Gregory, Zent & Swanson, Inc. is established in a client's written agreement with Gregory, Zent & Swanson, Inc. Gregory, Zent & Swanson, Inc. will generally bill its fees on a quarterly basis. Clients authorize Gregory, Zent & Swanson, Inc. to debit their account with a letter to Pershing LLC, our clearing firm. Alternatively a client may choose to have fees billed directly to them. Upon termination of any account, unearned fees will be refunded.

Sales commissions are charged to the account as transactions occur. The following are our general commission schedules.

Fee-Based Accounts Commission Schedule:

99 shares or less	Full Commission
100-199 shares	less 10%
200-299 shares	less 20%
300-399 shares	less 30%
400-499 shares	less 40%
500 shares and above	less 50%

Non Fee-Based Account Commission Schedule:

299 shares or less	Full Commission
300-499 shares	less 10%
500-999 shares	less 20%
1000 shares and above	less 30%

Fees and Commissions may be negotiated.

In addition for fees and commissions, clients may incur other expenses or fees as follows:

Overnight checks
Wire transfer
Bond Redemption

Our customers are charged \$3.00 per confirmation of which Pershing retains \$2.00 and Gregory, Zent & Swanson, Inc. receives \$1.00.

On accounts traded on Margin, Pershing charges interest on the margin balance. Gregory, Zent & Swanson, Inc. receives a portion of the interest charged from Pershing.

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

Gregory, Zent & Swanson, Inc. does not engage in activities that generate performance based fees.

Item 7 - Types of Clients

Gregory, Zent & Swanson, Inc. provides portfolio management services to individuals, high net worth individuals, employer sponsored pension and profit-sharing plans, charitable institutions, foundations, endowments and personal trusts.

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

Investing in securities involves risk of loss that clients should be prepared to bear.

Jiya L. Jain investment strategy takes into consideration the client's (Investor's) objectives, risk aversion and level of comfort. It may include long/short term purchase, option writing and margin transactions.

Security analysis is performed by combing a variety of methods such as fundamental and technical analysis, stock momentum and other economic and world events. Sources of information include financial newspapers and magazines, research material prepared by others, company press releases, annual reports and corporate rating services.

Christopher J. Swanson's investment strategy is one that favors emerging growth stocks. We identify companies of all sizes that typically have most if not all of the following characteristic:

- High Revenue and Earnings Growth Rates
- High Returns on Equity
- Minimum Long Term Debt
- Pristine Accounting
- Strong Management
- Differentiable Products or Services
- Leadership Position in its Industry
- Clear Barriers to Competitive Entry
- Recurring Revenues

We discover these companies through intensive research and are voracious readers of research from buy side firms and subscriptions based services.

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 Gregory, Zent & Swanson, Inc. or the integrity of our management. Currently Gregory, Zent & Swanson, Inc. has no information applicable to this item.

Item 10 - Other Financial Industry Activities and Affiliations

Christopher J. Swanson, Jiya L. Jain and Samuel B. Gregory, Jr. are the primary management persons in the firm. All of them are registered representatives of Gregory, Zent & Swanson, Inc.

Samuel B. Gregory, Jr. owns Financial Profile Systems, Inc., a financial planning firm as well as Gregory-Shaw Financial Services, Inc. a licensed life and health insurance agency. Certain clients of Gregory, Zent & Swanson, Inc. may be referred to these entities for financial and insurance services or may choose to utilize these firms for financial and insurance services. Gregory, Zent & Swanson, Inc. receives no compensation related to services provided to such clients by these firms.

Randall L. Shaw, a registered representative of Gregory, Zent & Swanson, Inc. is licensed to practice law in the state of Indiana. Gregory, Zent & Swanson, Inc. may choose to refer certain clients to him for legal services such as will and trust drafting and administration of qualified retirement plans. Gregory, Zent & Swanson, Inc. receives no compensation related to services provided to such clients by Mr. Shaw.

Item 11 - Code of Ethics

Gregory, Zent & Swanson, Inc. has adopted a Code of Ethics for all supervised persons of the firm describing its standard of business conduct and fiduciary duty to clients. The full text of this Code is included in the firm's Supervisory Procedures document.

The Code of Ethics includes provisions relating to:

- Confidentiality of client information
- Prohibition on insider trading
- Prohibition of rumor mongering
- Restriction on acceptance of significant gifts
- Reporting of certain gifts and business entertainment items
- Personal securities trading procedures

All Supervised Persons at Gregory, Zent & Swanson must acknowledge the terms of the Code of Ethics annually or as amended.

Gregory, Zent & Swanson, Inc anticipates that in appropriate circumstances consistent with client's stated investment objectives, that it will cause accounts over which Gregory, Zent & Swanson, Inc. has management authority to effect, or will recommend to advisory clients or prospective advisory clients, the purchase or sale of securities in which Gregory, Zent & Swanson, Inc., its affiliates and/or clients, directly or indirectly, have a position of interest. Employees of Gregory, Zent & Swanson, Inc and persons associated with the firm are required to follow the firm's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Gregory, Zent & Swanson, Inc., and affiliates may trade for their own accounts in securities which are recommended to and/or purchased for the firm's clients. The Code of Ethics is designed to assure that personal securities transactions, activities, and interests of employees of Gregory, Zent & Swanson, Inc. will not interfere with

1. Making decisions in the best interest of advisory clients: and
2. Implementing such decisions while allowing employees to invest for their own accounts.

The Code requires pre-clearance of some transactions, and restricts trading in close proximity to client trading activity. Because the Code of Ethics permits employees to invest in the same securities as clients, there is a possibility that employees may benefit from market activity by a client in a security held by an employee. Employee trading is monitored in accordance with the Code of Ethics to reasonably prevent conflicts of interest between Gregory, Zent & Swanson, Inc. and its clients.

Certain affiliated accounts may trade in the same securities with client accounts when consistent with Gregory, Zent & Swanson's obligation of best execution. In such circumstances, the affiliated and client accounts will share execution costs equally and receive securities at a total average price. Gregory, Zent & Swanson, Inc. will retain records of trade order (specifying each participating account) and its allocation which will be completed prior to the entry of the aggregated order. Partially filled orders will be allocated on a pro rated basis. Any exceptions will be explained on the order.

Clients or prospective clients may request a complete copy of the firm's Code of Ethics by contacting Tammy Trammel.

In limited circumstances, Gregory, Zent & Swanson, Inc. may engage in Principal transactions. This involves purchasing a security on behalf of the firm's Principal account and then selling such security to a client account. Historically, this activity has been limited to:

- Certain Bond transactions
- Certain transactions involving Certificates of Deposit

Gregory, Zent & Swanson, Inc. does not engage in any agency cross transactions for client accounts. An agency cross transaction is defined as a transaction in which a person acts as an investment advisor in relation to a transaction in which the investment advisor, or any person controlled by or under common control with the investment advisor, acts as broker for both the advisory client and for another party on the other side of the transaction.

Item 12 - Brokerage Practices

Gregory, Zent & Swanson, Inc. does not have arrangements with any party in which it receives non monetary benefits in exchange for providing such party with services. In addition, Gregory, Zent & Swanson, Inc. does not receive brokerage business from third parties in exchange for client referrals nor does Gregory, Zent & Swanson, Inc. advise clients to execute brokerage transactions through designated broker dealers.

Item 13 - Review of Accounts

Gregory, Zent & Swanson, Inc. produces complete portfolio statements on a quarterly basis including dividend and interest payments schedules of gains and losses and portfolio valuation. In addition, Pershing LLC produces monthly brokerage statements.

All quarterly statements are reviewed by the investment manager and the investment manager attempts to meet with the clients at least annually to review the account.

More frequent reviews may be necessitated by client's circumstances such as marriage, divorce, birth of a child, change of job or pending retirement.

Item 14 - Client Referrals and Other Compensation

Gregory, Zent & Swanson, Inc. does not receive any economic benefit from non client third parties related to providing investment advice or related services to our clients.

Item 15 - Custody

As our clearing firm, Pershing LLC maintains custody of all securities held for client accounts. Certain items are not held at Pershing LLC. including mutual fund accounts originated by application to the mutual fund company and variable annuity contracts issued directly to the individual client.

Clients should receive at least quarterly statements from Gregory, Zent & Swanson, Inc.. Pershing LLC as clearing firm, mutual fund sponsors, and

insurance companies providing variable annuities. Gregory, Zent & Swanson urges you to carefully review such statements and compare such official custodial records to the account statements that we provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Gregory, Zent & Swanson, Inc. 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, Gregory, Zent & Swanson, Inc. observes the investment policies, limitations and restriction of the clients for which it advises. For registered investment companies, Gregory, Zent & Swanson, Inc.'s authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, Gregory, Zent & Swanson does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Gregory, Zent & Swanson, Inc. may provide advice to clients regarding the clients' voting of proxies.

Item 18 – Financial Information

Gregory, Zent & Swanson, Inc. is not required to include a Balance Sheet as part of the Brochure, because we do not require prepayment of more than \$1,200 in fees per client to be paid six months or more in advance. However, we can make the following statements regarding our financial condition.

1. We are not aware of any financial commitment or impairment that would prevent us from meeting our contractual and fiduciary obligations to clients.
2. We are not now involved in a bankruptcy proceeding, nor have we ever been involved in a bankruptcy proceeding.

You can request a copy of our financial statement for our most recent fiscal year by contacting Tammy Trammel at (260) 432-3763.

Contact Information

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