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**FORM ADV PART 2A
BROCHURE**

This Brochure provides information about the qualifications and business practices of Eleven Two Fund Management. If you have any questions about the contents of this Brochure, please contact us at 770-971-2888. 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 Two Fund Management is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Eleven Two Fund Management is 122785.

Eleven Two Fund Management is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Summary of Material Changes

Form ADV Part 2A, Item 2

This Brochure 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 you 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 our clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials 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 provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

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Advisory Business

Form ADV Part 2A, Item 4

Description of Services and Fees

Eleven Two Fund Management is a registered investment adviser based in Marietta, Georgia. We are organized as a corporation, partnership under the laws of the State of Georgia. We have been providing investment advisory services since 2000. Thomas G. Cloud is our principal owner. Currently, we offer the following investment advisory services, which are personalized to each individual client:

- Financial Planning Services
- Portfolio Management Services

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this Brochure, the words “we”, “our” and “us” refer to Eleven Two Fund Management and the words “you”, “your” and “client” refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person or Investment Adviser Representative throughout this Brochure. As used in this Brochure, our Associated Persons or Investment Adviser Representatives are our firm’s officers, employees, and all individuals providing investment advice on behalf of our firm.

We use the terms “we” and “our” throughout this disclosure Brochure to refer to the firm as an entity. The use of these terms is not intended to imply that there is currently more than one individual associated with this firm.

Financial Planning Services

We offer broad-based, modular, and consultative financial planning services. Financial planning will typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. Initially, an Investment Adviser Representative of our firm will conduct a half hour complimentary consultation. If you decide to retain our firm for financial planning services, we will then meet with you to gather information about your financial circumstances and objectives. We may also use financial planning software to determine your current financial position and to define and quantify your long-term goals and objectives. Once we specify those long-term objectives (both financial and non-financial), we will develop shorter-term, targeted objectives. Once we review and analyze the information you provide to our firm and the data derived from our financial planning software, we may deliver a written plan to you, designed to help you achieve your stated financial goals and objectives.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to our firm. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

Our fees for financial planning services may either be a fixed fee or an hourly fee as noted below.

- **Fixed Fees:** We charge a fixed fee for financial planning services which generally ranges between \$100 and \$2,500. The fee is negotiable depending upon the complexity and scope of the plan, your financial situation, and your objectives.
- **Hourly Fees:** If you only require advice on a single aspect of your finances, we offer modular financial planning/general consulting services on an hourly basis. Our rate for such services is \$250 per hour and is negotiable depending on the scope and complexity of the plan, your financial situation, and your objectives.

In both cases, an estimate of the total time/cost will be determined at the start of the advisory relationship. In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, we will notify you in advance and request that you approve the additional fee. Fees are due upon completion of services rendered.

Either you or our firm may terminate the financial planning agreement within five days from the date of acceptance without penalty to you. After the five-day period, either party may terminate the financial planning agreement by providing written notice to the other party. You will incur a pro rata charge for services rendered prior to the termination of the agreement. Refunds are not applicable since fees are paid upon completion of services rendered.

Pursuant to California Code of Regulations, 10 CCR Section 260.235.2, we are required to make the following statement since we do have clients residing in the State of California: a conflict exists between the interest of our firm and the interests of you, the client. You are under no obligation to act upon our recommendations, and if you elect to act on any of our recommendations, you are under no obligation to effect the transactions through our firm.

Portfolio Management Services

We offer discretionary portfolio management services. Our investment advice is tailored to meet our clients' needs and investment objectives. If you retain our firm for portfolio management services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information (the "suitability information") at the beginning of our advisory relationship. We will use the suitability information we gather to develop a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf. As part of our portfolio management services, we may customize an investment portfolio for you in accordance with your risk tolerance and investing objectives. We may also invest your assets using a predefined strategy, or we may invest your assets according to one or more model portfolios developed by our firm. Once we construct an investment portfolio for you, or select a model portfolio, we will monitor your portfolio's performance on an ongoing basis, and will rebalance the portfolio as required by changes in market conditions and in your financial circumstances.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow our firm to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm, a power of attorney, or trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing.

Our fee for portfolio management services is based on a percentage of your assets we manage and is set forth in the following fee schedule:

<u>Assets Under Management</u>	<u>Annual Fee*</u>
Up to \$99,999	2.00%
\$100,000 to \$499,999	1.50%
\$500,000 to \$999,999	1.25%
\$1,000,000 to \$4,999,999	0.90%
Over \$5,000,000	Negotiable

**Generally we require a minimum account size of \$100,000. At our discretion, we may waive or lower the account minimum size.*

Our annual portfolio management fee is billed and payable quarterly in arrears based on the value of your account on the last day of the quarter. If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

We will send you an invoice for the payment of our advisory fee, or we will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when the following requirements are met:

- You provide our firm with written authorization permitting the fees to be paid directly from your account held by the qualified custodian.
- We send you an invoice showing the amount of the fee, the value of the assets on which the fee is based, and the specific manner in which the fee was calculated.
- The qualified custodian agrees to send you a statement, at least quarterly, indicating all amounts dispersed from your account including the amount of the advisory fee paid directly to our firm.

Either you or our firm may terminate the portfolio management agreement within five days from the date of acceptance without penalty to you. After the five-day period, either party may terminate the portfolio management agreement upon 30-days' written notice to the other party. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. Refunds are not applicable since fees are paid in arrears.

We encourage you to reconcile our invoices with the statement(s) you receive from the qualified custodian. If you find any inconsistent information between our invoice and the statement(s) you receive from the qualified custodian please call our main office number located on the cover page of this Brochure.

Types of Investments

We primarily offer advice on equity securities, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, mutual funds, exchange traded funds, variable annuities, variable life insurance, US Government securities, and interest in partnerships investing in real estate, oil and gas interests.

Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

Assets Under Management

As of March 22, 2011, we manage approximately \$13,000,000 in client assets on a discretionary basis.

Fees and Compensation

Form ADV Part 2A, Item 5

Please refer to the "Advisory Business" section in this Brochure for information on our advisory fees, fee payment arrangements, and refund policy according to each service we offer.

Additional Fees and Expenses

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses.

You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the "Brokerage Practices" section of this Brochure.

Performance-Based Fees and Side-By-Side Management

Form ADV Part 2A, Item 6

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the "Advisory Business" section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

Types of Clients

Form ADV Part 2A, Item 7

We offer investment advisory services to individuals, investment companies, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

In general, we require a minimum of \$100,000 to open and maintain a portfolio management account. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management. We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

Methods of Analysis, Investment Strategies and Risk of Loss

Form ADV Part 2A, Item 8

Our Methods of Analysis and Investment Strategies

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

- Technical Analysis – involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks. The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day to day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.
- Fundamental Analysis – involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.
- Modern Portfolio Theory (MPT) - a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully diversifying the proportions of various assets. Market risk is that part of a security's risk that is common to all securities of the same general class (stocks and bonds) and thus cannot be eliminated by diversification.
- Long Term Purchases – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- Short Term Purchases – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

We may use short-term trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s) when we determine that it is suitable given your stated investment objectives and tolerance for risk. This may include buying and selling securities frequently in an effort to capture significant market gains and avoid significant losses during a volatile market. However, frequent trading can negatively affect investment performance, particularly through increased brokerage and other transactional costs and taxes.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any

guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Recommendation of Particular Types of Securities

As disclosed under the “Advisory Business” section in this Brochure, we offer advice on all types of securities, however, we primarily recommend equity securities, debt securities (including corporate, municipal and US Government debt securities), mutual funds (including no-load and load-waived funds), money market funds, and exchange traded funds. Since each client has different needs and different tolerance for risk, we may recommend other types of investments as appropriate for you. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

There are numerous ways of measuring the risk of **equity securities** (also known simply as “equities” or “stock”). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to: the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, more well established companies (“large cap”) tend to be safer than smaller start-up companies (“small cap”) but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

Corporate debt securities (or “bonds”) are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be “called” prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.

Municipal bond securities, while generally thought of as safe, can have significant risks associated with them including, but not limited to: the credit worthiness of the governmental entity that issues the bond; the stability of the revenue stream that is used to pay the interest to the bondholders; when the bond is due to mature; and, whether or not the bond can be “called” prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same amount of interest or yield to maturity.

US Government securities are backed by the full faith and credit of the United States government; however, because the returns are generally very low, it’s possible for inflation to outpace the return.

Mutual funds and **exchange traded funds** are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. Exchange traded funds differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are “no load” and charge no fee to buy into, or sell out of, other types of mutual funds do charge such fees which can also reduce returns.

A **money market fund** is a mutual fund that attempts to keep the share price constant at \$1/share. However, there is no guarantee that the share price will stay at \$1/share. If the share price goes down, you can lose some or your entire principal. While investor losses in money market funds have been rare, they are possible. In return for this risk, you should earn a greater return than you would expect from an FDIC insured savings account since money market funds are not FDIC insured. Because money market funds are considered to be safer than other investments like stocks, long term average returns on money market funds tend to be less than long term average returns on riskier investments. Over long periods of time, inflation can outpace your returns.

Disciplinary Information

Form ADV Part 2A, Item 9

Eleven Two Fund Management has never been sued or formally accused of unethical behavior towards any of its Clients!

In the fall 1998, when Thomas G. Cloud, Jr. went to work for his Dad. At the age of 24 he had no reason to believe that any of the products that his Dad or Cloud and Associates (his Dad's company) was selling would cause any government agency to write him a letter to cease and desist and/or have any problems for his Dad's or Cloud and Associates' Clients. Thomas G. Cloud, Jr.'s main employer and sole payer of compensation from 08/1998 to 12/2000 was Turamali, Inc. One of Turamali's controlled company's was Cloud and Associates Consulting. Thomas G. Cloud, Jr. had no control or ownership in either one of these companies. Thomas G. Cloud, Jr. never had executive authority nor was he elected to office for any of these corporations; however he used the title of VP for Cloud and Associates only.

In the fall of 1999, Thomas G. Cloud, Senior recommended that 2 of his Clients (Steve and Cheri Knutsen; here and after referred to as plaintiffs) purchase a guaranteed fixed rate note receivable from Banyan through Cloud and Associates. Thomas G. Cloud, Jr. then handled the paperwork for his Dad's Client as a function of his job position. In March of 2000, Banyan, the company that produced the guaranteed fixed rate note receivables went into receivership because they were not conducting their business ethically. Thomas Cloud, Senior lost \$200,000 of his own money in this product and was found by at least one government investigator to be a victim of Banyan. Regardless, the plaintiffs sued roughly 20 different individuals and/or corporations in order to get their money back. Banyan's 4 or 5 head executives were in jail at the time of this trial (November 2003).

Because Thomas G. Cloud, Jr. sent a letter to the Client after the sale had been made which offered instruction on how to complete the paperwork, signed the letter as Executive VP, and because he is the son of the person that one of the plaintiffs (Steve Knutsen) admittedly has so much bitterness towards, Thomas G. Cloud, Jr. was also included in this lawsuit. During the trial of this lawsuit both of the plaintiffs testified that Thomas G. Cloud, Senior was the only person that ever recommended that they purchase the Banyan fixed rate note receivable. Thomas G. Cloud, Jr. represented himself because he could not afford a lawyer (cost would have been around \$200,000). The jury found Thomas G. Cloud, Jr. to be 2% negligent. Even though the plaintiffs that sued Thomas G. Cloud, Jr. were found to be 10% negligent; because Thomas G. Cloud, Jr. was considered to be working in concert with his Dad (11% negligent) a judgment against Thomas G. Cloud, Jr. in the amount of \$271,046.28 was entered and as a result Cloud, Jr. (not Eleven Two Fund Management) filed for bankruptcy. The people responsible for the product (not Thomas G. Cloud, Sr.), who are now in prison, were each found to be 15-20% negligent. Of the defendants, with a judgment entered against them from this case, Thomas G. Cloud, Jr. had the lowest dollar amount.

Thomas G. Cloud, Jr. agreed to pay \$4,000 to the Knutsens to settle the bankruptcy adversary proceeding. On January 31, 2007 the bankruptcy adversary proceeding Complaint, against Thomas G. Cloud, Jr. by Plaintiffs Cheri Knutsen and the estate of Steve Knutsen, was dismissed.

Thomas G. Cloud, Senior, through his company Cloud and Associates recommended an unregistered security to one of his Clients in Maine. The names of these notes were called Enhanced Automobile Receivables (EARS) created by First Choice. These receivables were not registered, nor exempt from being registered as a security. The Maine Client then requested paperwork necessary to complete an investment in this receivable. In Thomas G. Cloud, Jr.'s cover letter to the Client he signed it as Executive VP of Cloud and Associates. At the time Thomas G. Cloud, Jr. was mainly an administrative assistant. When Thomas G. Cloud, Senior changed his stationary for the first time for Cloud and Associates he put the title of Executive VP on Thomas G. Cloud, Jr.'s business cards.

The State of Maine Office of Securities then sent Thomas G. Cloud, Jr. an order that reads as follows: "*NOW, THEREFORE, IT IS ORDERED THAT THOMAS GORDON CLOUD, THOMAS GORDON CLOUD, JR., CLOUD & ASSOCIATES CONSULTING, INC., FIRST CHOICE MANAGEMENT SERVICES, INC., GARY VAN*

WAEYENBERGHE, AND ALL OTHER OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, AND SUBSIDIARIES OR CONTROLLING ENTITIES OF CLOUD & ASSOCIATES CONSULTING, INC. AND FIRST CHOICE MANAGEMENT SERVICES, INC. IMMEDIATELY CEASE AND DESIST FROM VIOLATING ANY PROVISIONS OF THE REVISED MAINE SECURITIES ACT."

This action was brought against Cloud and Associates (Thomas G. Cloud, Jr.'s employer) and Thomas G. Cloud, Senior but was not brought against Thomas G. Cloud, Jr. The SEC alleged that Thomas G. Cloud, Senior, through his company Cloud and Associates Consulting, acted as a sales agent for TLC's offering, raising approximately \$12,614,575 from 295 investors while receiving \$1,119,556 in commissions. TLC represented to investors that it would use their money to refurbish and resell distressed real estate, which TLC guaranteed would create a rate of return between 8% to 15%. Cloud and Associates and its servants and employees were enjoined from further violations of sections 5(a), 5(c), and 17(a) of the securities act and section 10(a) of the securities exchange act and rule 10b-5. THOMAS G. CLOUD, JR. WAS **NOT** A NAMED DEFENDANT IN THE SUIT OR MENTIONED IN THE ORDER OR INJUNCTION. THIS INJUNCTION MUST BE DISCLOSED BECAUSE THOMAS G. CLOUD, JR. WAS AN EMPLOYEE OF CLOUD AND ASSOCIATES WHEN THIS TOOK PLACE.

As of 02/14/2005 the GA Securities Division completed an investigation of Eleven Two Fund Management and Thomas G. Cloud, Jr. Because the above mentioned disclosures labeled "Maine Cease and Desist" and "SEC" were not disclosed on Eleven Two Fund Management's form ADV and because Eleven Two Fund Management did not register Thomas G. Cloud, Jr. as an investment advisor representative (this became required by a law passed in January 2003 and mandated to be compliant with by May 2003 - *when Eleven Two Fund Management initially became registered as an investment advisor in the state of GA in 2000 this law was not in effect) the GA Securities Division suspended Eleven Two Fund Management for 30 days from 01/01/2005 and Thomas G. Cloud, Jr. for 30 days from 01/04/2005.

Other Financial Industry Activities and Affiliations

Form ADV Part 2A, Item 10

We have not provided information on other financial industry activities and affiliations because we do not have any relationship or arrangement that is material to our advisory business or to our clients with any of the types of entities listed below.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
3. other investment adviser or financial planner
4. futures commission merchant, commodity pool operator, or commodity trading advisor
5. banking or thrift institution
6. accountant or accounting firm
7. lawyer or law firm
8. insurance company or agency
9. pension consultant
10. real estate broker or dealer
11. sponsor or syndicator of limited partnerships

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Form ADV Part 2A, Item 11

Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this Brochure.

Participation or Interest in Client Transactions

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this Brochure.

Personal Trading Practices

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our Associated Persons nor we shall have priority over your account in the purchase or sale of securities.

Brokerage Practices

Form ADV Part 2A, Item 12

We suggest that clients utilize the brokerage and custodial services of Charles Schwab & Co., Inc. (Schwab), registered broker/dealer, member FINRA/SIPC. Our recommendation takes into account a number of factors, some of which may include custodial fees charged by the broker/dealer for holding your securities, commission rates, quality of execution, and record keeping and reporting capabilities. When recommending a broker/dealer, we will attempt to minimize the total cost for all brokerage services paid by you. It may be the case that Schwab charges a higher fee for a particular type of service, such as commission rates, than can be obtained from another broker. You may utilize the broker-dealer of your choice and you have no obligation to purchase or sell securities through such broker as we recommend.

Schwab Institutional provides us with access to its institutional trading and operations services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers at no charge to them so long as a total of at least \$10 million of client account assets are maintained at Schwab Institutional. Schwab Institutional services may include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors or would require significantly higher minimum initial investments. Schwab Institutional also makes available to us other products and services that benefit us but may not benefit all of our clients' accounts. These include software and other technology that provide access to your account data (such as trade confirmations and account statements), facilitate trade execution, provide research, pricing information and other market data, facilitate payment of our fees from its your' accounts, and assist with back-office support, recordkeeping and reporting. The availability to us of the foregoing products and services is not contingent on us committing to Schwab Institutional any specific amount of business (assets in custody or trading).

We believe that Schwab Institutional provides the best services at the lowest commission rates possible. The reasonableness of commissions is based on several factors, including the broker's ability to provide professional services, competitive commission rates, volume discounts, execution price negotiations, the broker's reputation, experience and financial stability of the broker or dealer, and the quality of service rendered by the broker or dealer in other transactions.

Best execution is not measured solely by reference to commission rates. Paying a broker a higher commission rate than another broker might charge is permissible if the difference in cost is reasonably justified by the quality of the brokerage services offered.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Directed Brokerage

We routinely recommend that you direct our firm to execute transactions through Schwab Institutional. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

Some clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. This practice may prevent our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you.

Block Trades

We do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (the practice of combining multiple orders for shares of the same securities is commonly referred to as "block trading"). Accordingly, you may pay different prices for the same securities transactions than other clients pay. Furthermore, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than other clients.

Review of Accounts

Form ADV Part 2A, Item 13

Financial Planning Reviews

Thomas Cloud, President of our firm, will review your financial plan periodically upon your request to ensure that the planning advice and/or asset allocation recommendations made to you are consistent with your current investment needs and objectives. Written updates to the financial plan will be provided in conjunction with the review. Such reviews and updates will be subject to our then current hourly rate. We will not provide regular written reports to you for financial planning and consulting services. If you implement financial planning advice through a broker-dealer, you will receive trade confirmations, monthly or quarterly statements, and year-end tax statements from relevant custodians.

Portfolio Management Reviews

Thomas Cloud, President of our firm, will monitor your accounts on an ongoing basis and will conduct account reviews with you upon your request to ensure that the advisory services provided to you and/or the portfolio mix are consistent with your stated investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals,
- year-end tax planning,
- market moving events,
- security specific events, and/or,
- changes in your risk/return objectives.

We will not provide you with additional or regular written reports in conjunction with account reviews. However, we do provide you with quarterly performance reports. In addition, you will receive trade confirmations, monthly or quarterly statements, and year-end tax statements from your account custodian(s).

Client Referrals and Other Compensation

Form ADV Part 2A, Item 14

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals. However, please refer to the "Brokerage Practices" section above for disclosures on research and other benefits we may receive resulting from our relationship with Schwab Institutional.

Custody

Form ADV Part 2A, Item 15

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. We will also provide statements to you reflecting the amount of advisory fee deducted from your account.

You should compare our statements with the statements from your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement, or if you did not receive a statement from your custodian, please contact us directly at the telephone number on the cover page of this Brochure.

Associated Persons of our firm may serve as trustees to certain accounts for which we also provide investment advisory services. In all cases, the Associated Person has been appointed trustee as a result of a family or personal relationship with the trust grantor and/or beneficiary and not as a result of employment with our firm. Therefore, we are not deemed to have custody over the advisory accounts for which our Associated Persons serve as trustee.

Investment Discretion

Form ADV Part 2A, Item 16

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement and/or trading authorization forms.

If you are a portfolio management client, you will grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the "Advisory Business" section in this Brochure for more information on our discretionary management services.

Voting Client Securities

Form ADV Part 2A, Item 17

Proxy Voting

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

Financial Information

Form ADV Part 2A, Item 18

We are not required to provide financial information to our clients because we do not:

- require the prepayment of more than \$500 in fees and six or more months in advance, or
- take custody of client funds or securities, or
- have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.

Requirements for State-Registered Advisers

Form ADV Part 2A, Item 19

Neither our firm, nor any of our Associated Persons are compensated for advisory services with performance-based fees. Please refer to the "Performance-Based Fees and Side-By-Side Management" section above for

additional information on this topic.

Neither our firm, nor any of our Associated Persons have a material relationship or arrangement with any issuer of securities.

Refer to the Part2B for background information about management personnel and those giving advice on behalf of our firm.

Please refer to the Part 2B, affixed to this Part 2A, for information relating to our firm and Associated Persons.

Additional Information

Your Privacy

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this Brochure if you have any questions regarding this policy.

Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, you will keep the profit.

Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

Thomas Gordon Cloud, Jr.
CFP[®], AAMS[®], ChFC[®]
CRD No. 3021086

Eleven Two Fund Management, Inc.
3162 Johnson Ferry Road, Suite 260-27
Marietta, Georgia 30062

Telephone: 770-971-2888

March 23, 2011

**FORM ADV PART 2B
BROCHURE SUPPLEMENT**

This brochure supplement provides information about Thomas Cloud that supplements the Eleven Two Fund Management brochure. You should have received a copy of that brochure. Please contact Mr. Cloud at the telephone number above if you did not receive the Eleven Two Fund Management brochure or if you have any questions about the contents of this supplement.

Additional information about Thomas Cloud is available on the SEC's website at www.adviserinfo.sec.gov.

Educational Background and Business Experience

Form ADV Part 2B, Item 2

Thomas Gordon Cloud, Jr.

Year of Birth: 1974

Formal Education after High School:

Georgia Institute of Technology, Bachelor of Arts in Management and certificate in Finance, 1997

Business Background for the Previous Five Years:

- Eleven Two Fund Management, Inc., President, 2000 – Present

Certifications:

- **CERTIFIED FINANCIAL PLANNER™ (CFP®), [2008].** The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements: Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning; Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances; Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and Ethics – Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals. Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks: Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients. CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.
- **ACCREDITED ASSET MANAGEMENT SPECIALISTSM (AAMS®), [2004]** This designation is awarded by the College for Financial Planning to investment professionals who complete its 12-module AAMS® Professional Education Program, pass an examination, commit to a code of ethics and agree to pursue continuing education.
- **CHARTERED FINANCIAL CONSULTANT (ChFC®) [2003].** This designation is issued by The American College and is granted to individuals who have at least three years of full-time business experience within the five years preceding the awarding of the designation. The candidate is required to take seven mandatory courses which include the following disciplines: financial, insurance, retirement and estate planning; income taxation, investments and application of financial planning; as well as two elective courses involving the application of the aforementioned disciplines. Each course has a final proctored exam and once issued, the individual is required to submit 30 hours of continuing education every two years.

Disciplinary Information

Form ADV Part 2B, Item 3

Eleven Two Fund Management has never been sued or formally accused of unethical behavior towards any of its Clients!

In the fall 1998, when Thomas G. Cloud, Jr. went to work for his Dad. At the age of 24 he had no reason to believe that any of the products that his Dad or Cloud and Associates (his Dad's company) was selling would cause any government agency to write him a letter to cease and desist and/or have any problems for his Dad's or Cloud and Associates' Clients. Thomas G. Cloud, Jr.'s main employer and sole payer of compensation from 08/1998 to 12/2000 was Turamali, Inc. One of Turamali's controlled company's was Cloud and Associates Consulting. Thomas G. Cloud, Jr. had no control or ownership in either one of these companies. Thomas G. Cloud, Jr. never had executive authority nor was he elected to office for any of these corporations; however he used the title of VP for Cloud and Associates only.

In the fall of 1999, Thomas G. Cloud, Senior recommended that 2 of his Clients (Steve and Cheri Knutsen; here and after referred to as plaintiffs) purchase a guaranteed fixed rate note receivable from Banyan through Cloud and Associates. Thomas G. Cloud, Jr. then handled the paperwork for his Dad's Client as a function of his job position. In March of 2000, Banyan, the company that produced the guaranteed fixed rate note receivables went into receivership because they were not conducting their business ethically. Thomas Cloud, Senior lost \$200,000 of his own money in this product and was found by at least one government investigator to be a victim of Banyan. Regardless, the plaintiffs sued roughly 20 different individuals and/or corporations in order to get their money back. Banyan's 4 or 5 head executives were in jail at the time of this trial (November 2003).

Because Thomas G. Cloud, Jr. sent a letter to the Client after the sale had been made which offered instruction on how to complete the paperwork, signed the letter as Executive VP, and because he is the son of the person that one of the plaintiffs (Steve Knutsen) admittedly has so much bitterness towards, Thomas G. Cloud, Jr. was also included in this lawsuit. During the trial of this lawsuit both of the plaintiffs testified that Thomas G. Cloud, Senior was the only person that ever recommended that they purchase the Banyan fixed rate note receivable. Thomas G. Cloud, Jr. represented himself because he could not afford a lawyer (cost would have been around \$200,000). The jury found Thomas G. Cloud, Jr. to be 2% negligent. Even though the plaintiffs that sued Thomas G. Cloud, Jr. were found to be 10% negligent; because Thomas G. Cloud, Jr. was considered to be working in concert with his Dad (11% negligent) a judgment against Thomas G. Cloud, Jr. in the amount of \$271,046.28 was entered and as a result Cloud, Jr. (not Eleven Two Fund Management) filed for bankruptcy. The people responsible for the product (not Thomas G. Cloud, Sr.), who are now in prison, were each found to be 15-20% negligent. Of the defendants, with a judgment entered against them from this case, Thomas G. Cloud, Jr. had the lowest dollar amount.

Thomas G. Cloud, Jr. agreed to pay \$4,000 to the Knutsens to settle the bankruptcy adversary proceeding. On January 31, 2007 the bankruptcy adversary proceeding Complaint, against Thomas G. Cloud, Jr. by Plaintiffs Cheri Knutsen and the estate of Steve Knutsen, was dismissed.

Thomas G. Cloud, Senior, through his company Cloud and Associates recommended an unregistered security to one of his Clients in Maine. The names of these notes were called Enhanced Automobile Receivables (EARS) created by First Choice. These receivables were not registered, nor exempt from being registered as a security. The Maine Client then requested paperwork necessary to complete an investment in this receivable. In Thomas G. Cloud, Jr.'s cover letter to the Client he signed it as Executive VP of Cloud and Associates. At the time Thomas G. Cloud, Jr. was mainly an administrative assistant. When Thomas G. Cloud, Senior changed his stationary for the first time for Cloud and Associates he put the title of Executive VP on Thomas G. Cloud, Jr.'s business cards.

The State of Maine Office of Securities then sent Thomas G. Cloud, Jr. an order that reads as follows: "*NOW, THEREFORE, IT IS ORDERED THAT THOMAS GORDON CLOUD, THOMAS GORDON CLOUD, JR., CLOUD & ASSOCIATES CONSULTING, INC., FIRST CHOICE MANAGEMENT SERVICES, INC., GARY VAN*

WAEYENBERGHE, AND ALL OTHER OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, AND SUBSIDIARIES OR CONTROLLING ENTITIES OF CLOUD & ASSOCIATES CONSULTING, INC. AND FIRST CHOICE MANAGEMENT SERVICES, INC. IMMEDIATELY CEASE AND DESIST FROM VIOLATING ANY PROVISIONS OF THE REVISED MAINE SECURITIES ACT."

This action was brought against Cloud and Associates (Thomas G. Cloud, Jr.'s employer) and Thomas G. Cloud, Senior but was not brought against Thomas G. Cloud, Jr. The SEC alleged that Thomas G. Cloud, Senior, through his company Cloud and Associates Consulting, acted as a sales agent for TLC's offering, raising approximately \$12,614,575 from 295 investors while receiving \$1,119,556 in commissions. TLC represented to investors that it would use their money to refurbish and resell distressed real estate, which TLC guaranteed would create a rate of return between 8% to 15%. Cloud and Associates and its servants and employees were enjoined from further violations of sections 5(a), 5(c), and 17(a) of the securities act and section 10(a) of the securities exchange act and rule 10b-5. THOMAS G. CLOUD, JR. WAS **NOT** A NAMED DEFENDANT IN THE SUIT OR MENTIONED IN THE ORDER OR INJUNCTION. THIS INJUNCTION MUST BE DISCLOSED BECAUSE THOMAS G. CLOUD, JR. WAS AN EMPLOYEE OF CLOUD AND ASSOCIATES WHEN THIS TOOK PLACE.

As of 02/14/2005 the GA Securities Division completed an investigation of Eleven Two Fund Management and Thomas G. Cloud, Jr. Because the above mentioned disclosures labeled "Maine Cease and Desist" and "SEC" were not disclosed on Eleven Two Fund Management's form ADV and because Eleven Two Fund Management did not register Thomas G. Cloud, Jr. as an investment advisor representative (this became required by a law passed in January 2003 and mandated to be compliant with by May 2003 - *when Eleven Two Fund Management initially became registered as an investment advisor in the state of GA in 2000 this law was not in effect) the GA Securities Division suspended Eleven Two Fund Management for 30 days from 01/01/2005 and Thomas G. Cloud, Jr. for 30 days from 01/04/2005

Other Business Activities

Form ADV Part 2B, Item 4

Mr. Cloud does not receive any additional compensation for providing advisory services beyond the fee based compensation he receives through our firm. Moreover, Mr. Cloud does not receive any commissions, bonuses or other compensation based on the sale of securities or other investment products.

Mr. Cloud is a published author and receives compensation for his services as a writer. This compensation is separate and apart from the compensation he receives through our firm. This business activity does not pose a conflict of interest with our firm or our clients.

Mr. Cloud spends the majority of his professional time providing investment advisory services through our firm.

Additional Compensation

Form ADV Part 2B, Item 5

Mr. Cloud does not receive any additional compensation for providing advisory services beyond the fee based compensation he receives through our firm. However, please refer to the "Other Business Activities" section

above for disclosures on Mr. Cloud's receipt of additional compensation as a writer/author.

Supervision

Form ADV Part 2B, Item 6

Mr. Cloud is the President and current sole advisory representative of our firm; therefore, supervision is not required.

Requirements for State-Registered Advisers

Form ADV Part 2B, Item 7

Please refer to the Disciplinary section above.