

Item 1 - Cover Page

CLIENT ONE SECURITIES LLC

FORM ADV – PART 2A INFORMATION

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This Brochure provides information about the qualifications and business practices of Client One Securities LLC (“C1S”). If you have any questions about the contents of this Brochure, please contact us at (913) 814-6097 or IAR@c1s.net. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. The term registered does not imply a certain level of skill or training.

Additional information about C1S (CRD No. 152974), including a copy of its Form ADV Part 1, is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 - Material Changes To This Brochure Since Its Last Annual Update filed March 2015.

- Future material changes to this brochure will be noted in this section and provided to clients promptly.

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Item 4 - Advisory Business

Besides being a firm specializing in providing investment advisory services, Client One Securities LLC ("C1S") is also a broker-dealer, Member FINRA/SIPC, which began its business in November 2010. The firm provides financial planning, consulting and investment management services to a wide variety of clients. C1S is wholly-owned by Creative One Marketing Corporation, an insurance marketing firm. C1S does not control any other firm. The advisory services of C1S are described in detail below.

Client One also offers a wrap fee discretionary management service which is described in a separate Form ADV Part 2A "Wrap Fee" Appendix 1 Brochure.

Consulting Services

Consulting Services provided by C1S vary by the objectives and financial circumstances of each client. The specific services provided are determined at contract signing and described in the Consulting Services Agreement. Services begin by the client's C1S Representative performing an analysis of the client's existing assets, insurance, taxes, investment objectives, investments and other related matters. After this information-gathering step is completed, C1S's Representative then confers with the client to provide C1S's recommendations. Advice about investments is generally limited to stocks, bonds, mutual funds, exchange-traded funds, variable life and annuity contracts, and government-issued securities and use of other investment managers. Other topics regarding, for example, insurance, taxes, estate planning, and other matters are addressed in the scope requested by the client.

For clients who have a large or highly-diversified securities portfolio or who need extensive financial, estate, tax or insurance advice, C1S may prepare written recommendations which assist the clients in arriving at an investment and insurance mix designed to achieve their investment objectives. The scope of the report is determined in advance between the client and C1S.

Clients decide which investment recommendations to accept and implement. Clients are also free to select any brokerage, insurance or other product provider to purchase (or sell) the investments, insurance, or other products discussed with C1S. C1S does not guarantee results, and losses can occur from receiving Consulting Services.

Changes in client's financial condition, personal circumstances, goals, or general economic conditions may trigger changes to the advice provided by C1S. To the extent that material changes have occurred to a client's circumstances or goals, or to the extent a client requests C1S address a new project, the client will be asked to sign a new Services Agreement.

All Consulting Services advice is based on information provided by the client. It is the client's responsibility to be certain that C1S has current and accurate information.

Financial Planning Services

C1S also stands ready to perform Financial Planning Services which are designed to combine advice relating to a range of financial subjects selected by the client. In designing a project or comprehensive financial plan, regardless of the complexity, Representatives will:

- Interview the client, analyze the client's financial needs, and assist the client in developing realistic goals and objectives based on information provided by the client. The Representative may also clarify planning problems and outline strategies designed to

meet the client's goals. A client typically retains C1S to perform a comprehensive plan covering such topics as investments, taxes, insurance, retirement, and estate planning, among other subjects. A client may also engage a C1S Representative for projects that may require annual or more frequent reviews if more complex long-term planning is needed.

- Prepare an initial written project or comprehensive plan in the scope requested by a client based on the information gathered during the client interview and needs evaluation. This plan may include establishing a clear set of objectives, an outline of resources, a written investment policy statement, an asset allocation model, strategy recommendations, retirement, estate, education, or insurance planning and product recommendations. Reports usually include the steps to take for implementing advice provided.
- Help the client implement the plan including, if needed, assistance in purchasing and/or selling securities and/or insurance products.
- Review the plan periodically in the scope and frequency agreed upon in advance with the client.

The Representative may also, as requested, recommend changes to the client's investment portfolio or plan, either in writing or verbally. Changes in the client's financial condition, personal circumstances, goals, or general economic conditions may trigger changes in the plan. To the extent material changes have occurred to a client's circumstances or goals, or to the extent a client requests a new project, the client will be asked to sign a new Services Agreement. The client may initiate contact with the client's Representative as often as needed and the Representative will schedule conferences as needed, usually no less than annually.

Clients decide which investment recommendations to accept and implement. Clients are also free to select any brokerage, insurance or other product provider to purchase (or sell) the investments, insurance, or other products discussed with C1S. C1S is also a securities broker-dealer and many of its Representatives are also licensed to offer securities and insurance products. C1S and the Representatives will receive customary commissions for the sale of such products should a client decide to make purchases through C1S and a Representative. Clients are free to purchase such products other than through C1S and the Representative. This compensation creates a conflict of interest.

All planning is based on information provided by the client. It is the client's responsibility to be certain C1S has current and accurate information to enable C1S to prepare the initial plan, and it is the client's responsibility to inform the Representative of material changes affecting the investments and planning strategies implemented so the Representative has them for future reference.

If a conflict exists between the interests of C1S and the interests of the client, the client is under no obligation to act upon C1S' recommendations and if the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through C1S.

Retirement Plan Services

C1S can provide the following services to retirement plan accounts:

ERISA Section 3(21) Plan Investment Advisory Services: C1S can perform non-discretionary investment advisory services at the retirement plan level as described below.

- (a) C1S will review and/or prepare the plan's Investment Policy Statement ("IPS"), including assessing the following: (a) the criteria for selecting money managers and the due diligence procedures that the plan followed in selecting its money managers and/or mutual funds; (b) the basis for asset mix and rebalancing limits; (c) the performance measurement criteria; (d) monitoring procedures of money managers and other investment-related vendors; (e) composition and relevancy of quarterly performance reports; (f) composition of custodial reports; and (g) termination procedures for money managers.
- (b) C1S will advise client of appropriate investment categories for client's retirement plan consistent with client's adopted policy statement.
- (c) C1S will advise client of appropriate assets/investment instruments which are consistent with the investment categories selected by client.
- (d) C1S will monitor performance of the investment choices of client and provide periodic advice regarding possible changes to the investment selections.
- (e) Client shall have ultimate authority for selecting the investments for client's retirement plan.

ERISA Section 3(21) Participant Investment Advisory Services: C1S can perform non-discretionary investment advisory services for plan participants as described below:

C1S will provide individual investment advice to client's Plan participants in the scope and at the times mutually agreed between client and C1S. Such advice may include specific recommendations; however, the Plan participants retain ultimate authority with respect to the investment of their Plan assets.

ERISA Section 3(38) Plan Investment Management Services: C1S can perform discretionary investment management services at the plan level as described below. Note, this service is distinct from the Section 3(21) services described above.

- (a) C1S will review and/or prepare the plan's Investment Policy Statement ("IPS"), including assessing the following: (a) the criteria for selecting money managers and the due diligence procedures that the plan followed in selecting its money managers and/or mutual funds; (b) the basis for asset mix and rebalancing limits; (c) the performance measurement criteria; (d) monitoring procedures of money managers and other investment-related vendors; (e) composition and relevancy of quarterly performance reports; (f) composition of custodial reports; and (g) termination procedures for money managers;
- (b) For a participant-directed individual account plan, the IPS will set forth the number of general investment options and asset class categories to be offered to plan participants with a goal of providing a menu of investments that will allow for the creation of well-diversified portfolios designed to provide for long-term appreciation and capital preservation through a mix of equity and fixed income exposures.
- (c) Once client approves the IPS, C1S will review the investment options available through the plan and will notify the plan's recordkeeper as to C1S's instructions to add, remove and/or replace specific "core" investment options to be offered to plan participants that meet the criteria set forth in the IPS. C1S will monitor the core investment options and,

on a regular basis, provide reports to client and instructions to the plan's recordkeeper to remove and/or replace investments that no longer meet the IPS criteria. C1S may, to the extent consistent with its fiduciary duties, select "core" investment options that provide revenue sharing; provided that, however, any compensation C1S may receive from revenue sharing payments shall offset its fees and any 12b-1 fees C1S may receive shall be rebated to the plan.

- (d) C1S will retain final decision-making authority with respect to removing and/or replacing investments in the core lineup, and the client will not have any further responsibility to communicate instructions to any third-party, including the plan's recordkeeper, custodian and/or third-party administrator.
- (e) C1S will monitor investments in the plan's accounts with Custodian and shall implement changes to investment selections as C1S deems appropriate.

ERISA Section 3(38) Participant Investment Management Services: C1S can perform discretionary investment management services for plan participants as described below:

- (a) C1S will comply with the plan's written investment policy statement with respect to plan assets invested through participant's plan account.
- (b) C1S will provide a participant with investment advice, which may include asset allocation advice designed to identify one or more optimal retirement plan investment allocations, and may thereafter select investments for the participant's plan account pursuant to the discretionary authority granted to C1S by the participant in a separate discretionary account management agreement.
- (c) C1S will direct or effect transactions within the participant's plan account in securities and/or insurance products whose characteristics are deemed by C1S to correspond to participant's investment objectives.
- (d) C1S will direct or make such periodic adjustments to participant's plan account as it deems necessary, in accordance with the participant's financial circumstances, investment objectives and risk tolerance, as identified by the participant, and subject to the reasonable restrictions imposed by the participant.
- (e) C1S may hire and terminate third party investment managers ("Managers") to manage all or a portion of the participant's plan account.

Non-Fiduciary Services: C1S can perform the non-fiduciary services as described below.

- (a) C1S will meet with representatives of client, at intervals mutually acceptable to client and C1S, to discuss investment performance.
- (b) C1S will provide client with a quarterly report regarding:
 - (i) performance of each investment selected by client for client's plan; and
 - (ii) performance of one or more comparative benchmarks.
- (c) C1S will assist client with selection of any plan service providers as requested, but client shall be ultimately responsible for selecting other plan service providers.

- (d) C1S will contact client at least annually to determine if there have been any changes in client's financial situation or investment objective(s), and will remind client at least quarterly, in writing, that client should inform C1S if there have been (or are anticipated to be) any such changes.
- (e) As requested, C1S will conduct informational/educational group meetings with plan participants at initial installation of the plan, and periodically thereafter in the scope and frequency mutually agreed upon between client and C1S regarding:
 - (iii) general investment concepts;
 - (iv) investment objectives and performance of selected investments; and
 - (v) investment allocations and strategies available to meet various investment objectives.

C1S's assistance in participant investment education shall be consistent with and within the scope of the definition of investment education found in Department of Labor Interpretive Bulletin 96-1 unless C1S has agreed to provide individual investment advice concerning the prudence of any investment.

Lockwood Financial Services

In those instances where a client may benefit from receiving portfolio management or mutual fund analysis services from a firm other than C1S, or jointly with C1S, C1S may recommend the manager search and fund analysis services of Lockwood Financial Group ("Lockwood"). Lockwood assists management firms like C1S by providing background information and other advice about investment managers and their areas of specialization. The firm also prepares reports for use in monitoring the performance of the client portfolios.

Manager search services by C1S using Lockwood begin by a client identifying the client's investment objectives and manager selection criteria. Using Lockwood research, C1S then presents one or more investment management firms which it believes can satisfy the client's objectives. Generally, clients only have contact with their C1S Representative when selecting a manager and periodically reviewing the performance of the manager.

C1S does not conduct a search for a manager itself. Instead, it uses manager research information prepared by Lockwood which describes the histories, investment philosophies, risk factors, investment returns and investing time frames used by investment management firms. Generally, the investment management firms have agreed to accept accounts of less than \$100,000 and stand ready to provide management services to a client provided the client's account size and other conditions meet the standards established by the manager and provided the client's investment objectives are consistent with the manager's investment philosophy.

It is important to note that even though certain managers may have achieved higher performance returns than others, they may not be presented to a client by C1S due to the influence of other factors, including the nature of a portfolio manager's investment style and time under which securities were managed to produce returns.

Once a client has selected a manager from those presented, C1S supplies the manager and Lockwood with information regarding the client's financial background and investment objectives to the extent such information is provided by the client. To the extent C1S becomes aware of changes in a client's financial

circumstances or objectives, this information is relayed to the client's manager or Lockwood. Updated financial information about a client is not collected by C1S on a regular basis or given to a manager unless C1S is made aware of changes by the client. Clients then enter into an advisory agreement directly with the manager whereby the manager agrees to manage the client's account on a discretionary basis in accordance with the objectives of the client.

Each client grants the manager limited discretionary trading authority so the manager can place transaction orders at will for a client's account. Each client has the opportunity to instruct the manager about investment restrictions the client would like followed during the management of the client's account. There is no restriction on a client contacting the manager directly for other purposes. Each client's account is managed individually by a manager and is separate from other accounts managed by the manager. Each client receives a confirmation for each securities transaction placed by the manager, periodic custodian account statements, as well as a quarterly performance review prepared by Lockwood.

C1S also provides periodic assistance in evaluating the manager's performance and, if necessary, recommends replacement of a manager when it deems it necessary to do so. Clients grant C1S discretionary authority to change managers as it deems necessary. C1S generally does not recommend the replacement of a manager based on short-term performance results. In the event there is significant change in the manager's investment philosophy, loss of significant investment management personnel or a change in ownership, C1S will re-evaluate the manager to determine whether the manager has changed from how the manager represented itself initially and then determine whether to recommend a manager change to a client or make a manager change itself.

Services Involving Recommendations to Other Investment Advisers for Mutual Fund and Variable Annuity Management Services

C1S has entered into agreements with third party investment advisers specializing in mutual fund management. C1S refers clients to such third party advisers in return for a portion of the advisory fee paid by the client. Third party investment advisers include, but may not be limited to: Genworth Financial Wealth Management, Inc., SEI Investment Advisory Group, Steele Capital Management, Inc., StanCorp Financial Group, Inc., Hanlon Investment Management, Inc., BTS Asset Management, Inc., CLS Investments, LLC, Curian Capital, LLC Potomac Fund Management, Inc. and FTJ FundChoice, LLC -

The programs offered by these firms may not be available to all clients because of account minimums, client objectives and manager restrictions. For specific details regarding the above referenced firms, C1S recommends that clients review the individual firm's ADV Part 2A brochure.

C1S's services include assisting a client in selecting a third party investment adviser whose investment styles and strategies suit the client's individual needs and financial objectives. The investments managed in these accounts are usually limited to mutual funds and exchange-traded funds. With most programs, C1S's role is usually limited to making the referral. In others, C1S assists the client in completing an investment planning questionnaire to help guide the third party adviser's investment decisions for the client. C1S may also assist clients in making investment and portfolio allocation decisions for these accounts. Depending on the program selected by the client, the third party adviser may or may not have discretionary power to purchase or sell investments in the client's account. C1S Representatives are available to their clients to discuss the selected manager's performance. Also, clients may or may not pay a sales load for mutual funds or annuities, or commissions on other investments placed within the client's account.

As of December 31, 2014, C1S has regulatory assets totaling \$154,799,000 under discretionary management and \$15,647,000 under non-discretionary management.

Item 5 - Fees and Compensation

Fees paid to C1S are for C1S advisory services only. The fees do not include, for example, the fees charged by third parties such as third-party managers, or accountants and attorneys assisting with providing the client with accounting and legal advice. Commissions on transactions and other account fees will also be charged by brokerage firms in accordance with the account's brokerage firm's normal commission schedule. See Item 12, Brokerage Practices. Customary commissions on insurance are also not included.

Prospective clients should be aware that in addition to C1S's advisory fees, each mutual fund in which a client's assets are invested also pays its own advisory fees and other internal expenses which already have been deducted from the fund's reported performance. Depending on the fund, a client may be able to invest directly in the shares issued by the fund with or without incurring any sales or third-party management fees. Account maintenance fees are also deducted by the custodian.

In addition, there are tax effects pertaining to fund share redemptions, and other sales, made by C1S on behalf of clients. Redemptions and sales are taxable events which may accelerate the recognition of capital gains, and losses, and frequent redemptions and sales may result in short-term, rather than long-term, capital gains and losses.

The client should be aware that C1S feels that its advisory fees are reasonable but that lower fees may be found for comparable services available through other sources.

Consulting Services Fee

All fees for Consulting Services are negotiable. C1S's fees for providing Consulting Services may be charged on a fixed fee per project basis, or on an hourly fee per project basis. The hourly rate ranges from \$100 - \$250 per hour and the fixed fee ranges from \$300 to \$10,000 depending on the services requested. There is a minimum fee of \$300.

The hourly or fixed fee is dependent upon the nature and scope of the advice requested by the client, nature and number of investments in a client's portfolio, amount and nature of research required to complete the project and the scope and number of reports requested by a client. For example, a client requesting a simple portfolio overview without a report or identification of financial problems or formulation of solutions, would be charged \$100 per hour. A client wanting a more in depth project including identification of financial problems, formulation of solutions and an analysis of financial goals and objectives, would be charged \$250 per hour. The amount of time required to complete the project will depend on the specifics of the project requested and the client is provided with an estimate of the total fee prior to signing the Services Agreement.

For a fixed fee, a client asking for a limited portfolio review could be charged a flat fee of several hundred dollars, while a client seeking a written comprehensive financial review addressing retirement, investments, insurance, taxes, estate planning and related matters could be charged several thousand. A limited financial review addressing retirement needs and tax consequences may for example be charged a fee of \$1,000, while consultations and reports addressing insurance adequacy, college funding, investment analysis, and retirement funding could cost \$5,000. The fixed fee is estimated based on the same criteria used to determine the hourly fee including the projected amount of time estimated to complete the project. Prior to the engagement, each client signs a Services Agreement which provides an estimate of the total fee for services. Consulting services fees are dependent on what the client is looking for, if the client wants a more structured financial plan then a Financial Planning Agreement will be recommended. Consulting Services are for short term projects or reviews of the client's current financial condition.

The fee is payable upon commencement of services. Payment arrangements are established in the Services Agreement but clients typically pay fees directly as opposed to having their account debited. The fee may be waived in whole or in part by C1S at its sole discretion. All Consulting Services projects will be completed within 6 months of signing the Agreement.

The Services Agreement may be terminated at any time by giving ten (10) days advance written notice from either party to the other. Any unearned prepaid fee is returned to client upon termination. Clients are obligated to pay any fee earned by C1S to date of termination, but not yet paid. When calculating any refund, a rate of \$150 per hour shall apply to work already performed on a fixed fee basis.

The fees described above may change based on special situations such as an expansion of a project, increase in the number of reviews, more specialized needs of the client, more complex planning or more detailed reporting. Before such a change is made, the client is given 30 days prior written notice and agrees to such changes by signing a new Services Agreement, or an amendment thereto.

Financial Planning Fees

Fees charged for Financial Planning are negotiable and are based on a fixed-fee per project basis, or on an hourly fee basis. The hourly rate ranges from \$100 - \$250 per hour and the fixed fee ranges from \$300 to \$10,000, depending on the complexity and nature of the project. The hourly rate may be negotiated. There is a minimum fee of \$300.

Hourly rates and total fees are determined by each C1S Representative estimating the complexity of the client's circumstances, the level of skill required to perform the service, and the amount of time that will be required to perform research, analysis, and plan preparation. The estimated fee is disclosed to the client prior to contract signing.

The hourly or fixed fee is dependent upon the nature and scope of the advice requested by the client, nature and number of investments in a client's portfolio, amount and nature of research required to complete the project and the scope and number of reports requested by a client.

For example,

Detailed Personal Financial Plan	10 hours @ \$200/hour	\$ 2,000
Insurance and Risk Management Review	8 hours @ \$200/hour	\$ 1,600
Employee Benefits Planning	6 hours @ \$250/hour	\$ 1,500
Income Tax Planning	6 hours @ \$150/hour	\$ 900
Complex Retirement and Estate Planning	30 hours @ \$300/hour	\$ 9,000

The fee is payable upon commencement of services. The fee is payable directly by a client and not deducted from the client's account. Payment arrangements are established in the Services Agreement. The fee may be waived in whole or in part by a Representative or C1S at their sole discretion. Each client retains the right to terminate the Services Agreement with C1S at any time, in writing and without prior notice, for any reason. C1S retains the right to terminate any engagement at any time, for any reason, by giving 10 days' written notice. Any unearned pre-paid fee is returned to the client upon termination. When calculating any refund, a rate of \$150 per hour shall apply to work already performed on a fixed fee basis.

The fees described above may change based on special situations such as an expansion of a project, increase in the number of reviews, more specialized needs of the client, more complex planning, or more

detailed reporting. Before such a change may be made, the client is given 30 days prior written notice. Financial Planning projects will be completed within 6 months of signing the Agreement.

Fees do not include product transaction commissions, or the fees for third-party professional services, e.g., investment managers, attorneys, accountants or other third parties.

Retirement Plan Services Fee

Fees for C1S's Retirement Plan Services described above are based upon the value of assets under management and vary between 1.8% and 2.0% per year for Section 3(21) services, and from 1.5% to 3% per year for section 3(38) services. All fees are payable quarterly, in advance, and are negotiable. The initial fee is based upon account value when the account is opened and is provided to the end of the quarter. Upon termination, all prepaid unearned fees are prorated and returned to the client. Fees can be amended by C1S upon 30 days advance written notice by C1S to client.

Assets exceeding \$20,000 deposited to the plan during any quarter shall be charged a pro-rated quarterly fee based upon the number of days remaining in the quarter. No adjustment shall be made to the quarterly fees for changes in the market value of securities held in the plan during the quarter. A pro-rata refund shall be made if assets valued at \$20,000 or more are withdrawn during the quarter. Any 12b-1 fee earned by C1S in a client's Retirement Plan Services account will be rebated to the clients account.

In the event the client's account is terminated prior to the last day of any quarter, all fees paid C1S are pro-rated to the date of termination and any unearned prepaid fee shall be refunded to the client. Either party may terminate the agreement upon 10 days advance written notice to the other.

C1S may act as investment manager to plan's individual plan participants and will earn asset-based advisory fees from those individuals, by separate agreement with them, for providing management services.

Fees payable to C1S for Retirement Plan Consulting service are, with the client's prior permission, automatically deducted from the client's account when due. The client will receive an itemized invoice from C1S, as well as reports from the account's custodian, showing the fee calculation and fee amounts debited. C1S will liquidate without obtaining prior permission of the client, money market shares to pay the fee and, if money market shares or cash value are not available, other investments will be liquidated. Authorization for the deduction of fees from the managed account is contained in the Services Agreement. The client may terminate the authorization for automatic deduction at any time by notifying C1S in writing.

Lockwood Financial Services Fee

Lockwood collects an asset-based fee which varies by the dollar value of a client's account, types of securities in the account (equity or fixed income) and whether transaction commissions are covered by the fee. Lockwood's annual asset-based fees usually, range from .50% to 2.50%. The fee covers C1S's fee, the manager's fee and Lockwood's fee. Clients should be aware that the advisory fees charged by C1S and the client's manager, when combined, may be higher or lower than those charged by other management firms.

C1S, when providing this service, is granted discretion by a client to change a client's investment manager without prior client permission when it deems it appropriate to do so.

The client should carefully read the Form ADV Part 2A disclosure of Lockwood for further details regarding the program.

Fees for Services Involving Referrals to Other Investment Advisers for Mutual Fund and Variable Annuity Management Services

C1S's Representatives are free to negotiate the fee with each client for many of the programs, including those noted above in Item 4. Thus, fees will vary from client to client and may be higher than obtainable from other advisers providing similar services, including C1S itself. The range of fees for various programs utilized by C1S differ but usually range between .50% and 2.5%.

Program sponsors also charge fees in these programs. For example, for accounts falling below \$50,000 in value, SEI Investment Advisory Group charges a \$60 annual custodial fee. It also charges account disbursement and closing fees, as well as commissions on non-SEI fund transactions and for equity transactions. Clients are encouraged to read SEI's application documents and disclosures thoroughly. Genworth Financial Wealth Management charges a fee of .25% per year for custodial fees, subjected to a \$250 minimum.

C1S's portion of the total fees described above typically ranges from .50% to 1.50%. Because C1S's Representatives are free to negotiate fees, fees will vary from client-to-client for similar or identical services. Fees are deducted from the client's account. Any prepaid unearned fee is prorated and returned to the client.

Clients should also be aware that, absent transaction charges, total fees exceeding 2% per year are generally considered higher than those charged by other comparable programs available to a client.

The services, reports and contract termination provisions provided by these programs vary as do the costs. Clients are encouraged to obtain and carefully review the contracts and disclosure documents of the third party manager and/or program sponsor whose services they are considering, including Part 2A of Form ADV, so they understand fully the services being provided and fees being charged. Clients are also encouraged to compare programs.

Other Compensation

C1S is a securities broker-dealer and many of its Representatives are also licensed to offer securities and insurance products. C1S and the Representatives will receive customary commissions for the sale of such products should a client decide to make purchases through C1S and a Representative. Clients are free to purchase such products through brokers or agents not affiliated with C1S. All prospective and existing clients are hereby advised that this conflict exists. A C1S Representative may recommend either no-load or load mutual funds for a client's account. In all cases, the investments must be in the best interests of the client. Advisory fees are not reduced by the amount of sales compensation a Representative receives, but Representatives may consider commissions as a factor when determining asset-based fees.

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

C1S does not charge any performance-based fees. All fees are disclosed above.

Item 7 - Types of Clients/Minimum Account Size

C1S makes Financial Planning and Consulting available to a wide variety of clients including, but not limited to, individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

C1S does not generally require a minimum account size for the above services, but there may be minimum account sizes and fees for the services offered by third-party managers. A minimum fee of \$300 is charged for Consulting and Financial Planning services.

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

C1S's security analysis methods include, but are not limited to, fundamental analysis (evaluating securities based upon its historical and projected financial performance); and cyclical analysis (determining the desirability of an issue based upon the status of an issue within the price cycle the security or similar securities have followed historically). The risk of loss always exists with fundamental analysis, because the valuation of a firm's existing and future business and market prices forecast may not be precise or may be influenced by market and other factors. The risk of loss always exists with cyclical analysis because a predicted cycle may not occur when expected or because markets for a certain class of securities or specific securities did not conform to the market cycle as expected.

All securities analysis methods and strategies, even those used by C1S may involve a high degree of risk and losses can occur. Investing in any securities involves the risk of loss that clients should be prepared to bear.

C1S's main sources of information include, but are not limited to, financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses, public filings and company press releases.

Neither C1S, nor the third party managers it may secure, guarantee the results of the advice given. Thus, significant losses can occur by investing in any security, or by following any strategy, including those recommended or applied by C1S.

C1S may recommend traditional exchange-traded funds ("ETF"). ETF shares are bought and sold at market price unlike mutual funds. ETFs are subject to risks similar to those of stocks.

Item 9 - Disciplinary Information

C1S does not have any disciplinary information to report regarding itself or any of its counselors or other related persons.

Item 10 - Other Financial Industry Activities and Affiliations

Besides being an investment advisory firm, C1S is also a securities broker-dealer and sells securities and insurance to clients. C1S and the Representatives will receive customary commissions for the sale of such products, other than variable annuity and insurance contracts having sub-funds to be managed by C1S, should a client decide to make purchases through C1S and its Representative. This compensation creates a conflict of interest. All prospective and existing clients are hereby advised that this conflict exists. If the variable annuity is purchased prior to signing an advisory management agreement and commissions were received, no management fee may be charged for two years after the purchase of the variable annuity. Approximately 10% of C1S Representatives time is spent on advisory services if the

Representative is registered as a securities representative for C1S. Those Representatives who are not securities representatives spend 100% of their time providing advisory services.

C1S along with being both an investment adviser and broker-dealer is under common control with various other entities, including Creative One Marketing Corporation, an insurance agency, and Representatives of C1S offer insurance products for these firms, including variable annuities. Thus, when offering insurance products, both compensation and related-issuer conflicts exist. There is an incentive to offer the insurance products of these companies.

C1S also may recommend third party investment advisers. A conflict exists when C1S recommends the services of a third party who has agreed to share a portion of its management fee with C1S. The compensation paid by such third party advisers may vary and thus, there may be a conflict of interest in recommending a manager who shares a larger portion of its advisory fees over another manager. The fees of the third party manager may be more or less than they would have been had the client obtained the services directly from the third party money manager. In all such cases C1S will only recommend third party advisers that are registered or exempt from registration in the client's jurisdiction, also see Item 5 for more information.

C1S offers internal managed programs in addition to those offered through third party managers. These internal programs result in C1S receiving more compensation as there are no fees going to an outside manager. This revenue incentive causes a conflict of interest for C1S when its representatives recommend these internal programs. At all times C1S and its representatives strive to make recommendations that are in the best interest of their clients.

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

When C1S Representatives make recommendations for the purchase of insurance or securities they also receive customary commissions as insurance salespersons or securities registered representatives. The receipt of commissions in return for insurance or securities product purchases creates a conflict of interest for Representatives when they recommend the purchase of such products to clients.

Representatives of C1S may buy or sell securities for themselves that they also recommend. Where a transaction for a Representative, or an account related to a Representative, is contemplated, a client's transaction is given priority. C1S has developed a Code of Ethics applicable to all persons who have access to confidential client records or to recommendations being made for client accounts. Designed to prevent conflicts of interest between the financial interests of clients and the interests of the firm's staff, the Code requires, among other procedures, such "access persons to obtain preapproval of certain securities transactions, to report transactions quarterly and to report all securities positions in which they have a beneficial interest at least annually. These reporting requirements allow supervisors at the firm to determine whether to allow or prohibit certain employee securities purchases and sales based on transactions made, or anticipated to be made, in the same securities for clients' accounts. The Code also established certain bookkeeping requirements relating to federal reporting rules. The Code is required to be reviewed annually and updated as necessary. A complete copy of the firm's Code will be provided upon a client or prospective clients request.

Item 12 - Brokerage Practices

Financial Planning and Consulting clients can use the brokerage service of their choice to process transactions. If requested C1S will recommend a broker-dealer. C1S will recommend a broker-dealer that it is familiar with, thus will not evaluate the commissions and services of other broker-dealers.

Those clients receiving third party manager services will be required to use the custodial services required by the third party manager. C1S recommends that clients review the ADV Part 2A brochures for the third party managers.

Item 13 - Review of Accounts and Reports

For clients receiving Counseling and Financial Planning Services, a written project report or comprehensive financial plan is prepared in the scope requested by the client during the initial interview and subsequent counseling sessions. Reviews of financial plans are performed from time to time by the Representative and the Representative's planning staff at the times requested by a client and as the Representative deems appropriate. More than one Representative may be involved in the development of a plan and, with the client's permission, the client's legal and accounting professionals may be involved. When outside professionals become involved in the planning process, the cost of the outside professionals is the responsibility of the client.

Clients receiving third party management services receive reports at least quarterly from their account's custodian. The client may receive a written performance report as often as is agreed upon between the client and C1S or the third party manager, but not more often than quarterly. The client's portfolio is regularly reviewed by the client's C1S Representative as frequently as agreed upon by the client and the Representative, or more frequently if the Representative determines, to ensure the investments in the account are in line with the client's stated investment policy guidelines. Clients are encouraged to compare the information on any account statement received from C1S or the third party manager to that shown on custodial statements.

Item 14 - Client Referrals and Other Compensation

C1S has entered into a referral arrangement where the entity or individual making the referral to C1S receives a portion of the advisory fee on accounts referred to C1S that then become clients. Each referred client is provided with a written disclosure document describing this fee arrangement before the client signs C1S's services agreement.

C1S does not direct brokerage transactions to any third party, including Pershing, in return for client referrals and does not receive any economic benefits from non-clients for providing investment advisory services.

C1S has entered into agreements with third party investment advisers specializing in mutual fund management. C1S refers clients to such third party advisers in return for a portion of the advisory fee paid by the client. See Item 4 for additional information.

Item 15 - Custody

C1S does not take custody of client funds or securities. These safekeeping services are typically provided to managed accounts only by the brokerage firm processing the securities transactions ordered by C1S. It is important that clients carefully review the statements received from their account custodian.

To the extent a client receives any account or other investment ownership statement from C1S, C1S recommends the client carefully compare the information in the report to that in the custodian's statements.

Item 16 - Investment Discretion

When providing Discretionary Investment Management services described in Appendix 1 of ADV Part 2A, C1S Representatives may exercise discretion when granted authority in writing by clients. C1S does not exercise discretion when offering Consulting, or Financial Planning services. C1S does not exercise discretion without an agreement.

Depending on the service agreement, third-party managers used to manage client accounts or portions of client accounts may have discretionary authority granted by the client to purchase and sell securities at their discretion.

Item 17 - Voting Client Securities

C1S and its Representatives do not vote proxies on behalf of clients who will receive such notices from their account's custodian.

C1S also does not take any action on legal notices it or a client may receive from issuers of securities held in a client's managed account. However, it is available to answer questions regarding such notices.

Item 18 - Financial Information

C1S does not require or solicit fees of more than \$1,200 six months or more in advance, thus no financial statement for C1S is attached. C1S does not have any financial condition that is reasonably likely to impair its ability to meet its contracted commitment to any client. C1S has not been subject of a bankruptcy petition.