

FORM ADV**Uniform Application for Investment Adviser Registration****Part II - Page 1**

Name of Investment Adviser: Clayton Financial Services, Inc.				
Address: (Number and Street) 716 South Kansas Avenue	(City) Topeka	(State) KS	(Zip Code) 66603-3808	Area Code: Telephone Number: (785) 232-3266

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any government authority.**

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March 2009

(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

SEC 1701 (8/98)

Compliance Advisory Services, Inc.

FORM ADV**Part II - Page 2**

Applicant:

Clayton Financial Services, Inc.

SEC File Number:

801-17344

Date:

06/01/2005

Definitions for Part II

Related person - Any officer, director or partner of applicant or any person directly or indirectly controlling, controlled by, or under common control with the applicant, including any non-clerical, non-ministerial employee.

Investment Supervisory Services - Giving continuous investment advice to a client (or making investments for the client) based on the individual needs of the client. Individual needs include, for example, the nature of other client assets and the client's personal and family obligations.

1. **A. Advisory Services and Fees.** (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service.

(See instruction below.)

Applicant:

- | | | | |
|-------------------------------------|-----|---|-----|
| <input checked="" type="checkbox"/> | (1) | Provides investment supervisory services | 50% |
| <input type="checkbox"/> | (2) | Manages investment advisory accounts not involving investment supervisory services | % |
| <input checked="" type="checkbox"/> | (3) | Furnishes investment advice through consultations not included in either service described above | 48% |
| <input type="checkbox"/> | (4) | Issues periodicals about securities by subscription | % |
| <input type="checkbox"/> | (5) | Issues special reports about securities not included in any service described above | % |
| <input type="checkbox"/> | (6) | Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities | % |
| <input checked="" type="checkbox"/> | (7) | On more than an occasional basis, furnishes advice to clients on matters not involving securities | 2% |
| <input type="checkbox"/> | (8) | Provides a timing service | % |
| <input type="checkbox"/> | (9) | Furnishes advice about securities in any manner not described above | % |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

- | | | | |
|----|---|--|--------------------------------|
| B. | Does the applicant call any of the services it checked above financial planning or some similar term? | Yes
<input checked="" type="checkbox"/> | No
<input type="checkbox"/> |
|----|---|--|--------------------------------|

C. Applicant offers investment advisory services for: (check all that apply):

- | | | | | | |
|-------------------------------------|-----|--|--------------------------|-----|-------------------|
| <input checked="" type="checkbox"/> | (1) | A percentage of assets under management | <input type="checkbox"/> | (4) | Subscription fees |
| <input checked="" type="checkbox"/> | (2) | Hourly charges | <input type="checkbox"/> | (5) | Commissions |
| <input checked="" type="checkbox"/> | (3) | Fixed fees (not including subscription fees) | <input type="checkbox"/> | (6) | Other |

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. **Types of Clients** - Applicant generally provides investment advice to: (check those that apply)

- | | | | | | |
|-------------------------------------|----|----------------------------------|-------------------------------------|----|---|
| <input checked="" type="checkbox"/> | A. | Individuals | <input checked="" type="checkbox"/> | E. | Trusts, estates, or charitable organizations |
| <input type="checkbox"/> | B. | Banks or thrift institutions | <input checked="" type="checkbox"/> | F. | Corporations or business entities other than those listed above |
| <input type="checkbox"/> | C. | Investment companies | <input type="checkbox"/> | G. | Other (describe on Schedule F) |
| <input checked="" type="checkbox"/> | D. | Pension and profit sharing plans | | | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

FORM ADV**Part II - Page 3**

Applicant:

Clayton Financial Services, Inc.

SEC File Number:

801- 17344

Date:

03/19/2009**3. Types of Investments.** Applicant offers advice on the following: (check those that apply)

- | | |
|--|--|
| <input checked="" type="checkbox"/> A. Equity Securities | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities | |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter | <input type="checkbox"/> I. Options contracts on: |
| <input type="checkbox"/> (3) foreign issues | <input type="checkbox"/> (1) securities |
| | <input type="checkbox"/> (2) commodities |
| <input type="checkbox"/> B. Warrants | |
| <input checked="" type="checkbox"/> C. Corporate debt securities | <input type="checkbox"/> J. Futures contracts on: |
| (other than commercial paper) | <input type="checkbox"/> (1) tangibles |
| | <input type="checkbox"/> (2) intangibles |
| <input type="checkbox"/> D. Commercial paper | |
| <input checked="" type="checkbox"/> E. Certificates of deposit | <input type="checkbox"/> K. Interests in partnerships investing in: |
| <input checked="" type="checkbox"/> F. Municipal securities | <input type="checkbox"/> (1) real estate |
| | <input type="checkbox"/> (2) oil and gas interests |
| <input type="checkbox"/> G. Investment company securities | <input type="checkbox"/> (3) other (explain on Schedule F) |
| <input type="checkbox"/> (1) variable life insurance | <input checked="" type="checkbox"/> L. Other (explain on Schedule F) |
| <input checked="" type="checkbox"/> (2) variable annuities | |
| <input checked="" type="checkbox"/> (3) mutual fund shares | |

4. Methods of Analysis, Sources of Information, and Investment Strategies.**A.** Applicant's security analysis methods include: (check those that apply)

- | | |
|---|--|
| (1) <input checked="" type="checkbox"/> Charting | (4) <input checked="" type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|---|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines | (5) <input type="checkbox"/> Timing services |
| (2) <input type="checkbox"/> Inspections of corporate activities | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input type="checkbox"/> Company press releases |
| (4) <input checked="" type="checkbox"/> Corporate rating services | (8) <input type="checkbox"/> Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|--|--|
| (1) <input checked="" type="checkbox"/> Long term purchases
(securities held at least a year) | (5) <input type="checkbox"/> Margin transactions |
| (2) <input checked="" type="checkbox"/> Short term purchases
(securities sold within a year) | (6) <input type="checkbox"/> Option writing, including covered options,
uncovered options or spreading strategies |
| (3) <input type="checkbox"/> Trading (securities sold within 30 days) | (7) <input type="checkbox"/> Other (explain on Schedule F) |
| (4) <input type="checkbox"/> Short sales | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

FORM ADV**Part II - Page 4**

Applicant:

Clayton Financial Services, Inc.

SEC File Number:

801-17344

Date:

06/01/2005

5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients?

Yes No
☒ ☐

(If yes, describe these standards on Schedule F.)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- | | |
|-----------------|--|
| • name | • formal education after high school |
| • year of birth | • business background for the preceding five years |

7. Other Business Activities. (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- | | |
|--|--|
| <input type="checkbox"/> (1) broker-dealer | <input type="checkbox"/> (7) accounting firm |
| <input type="checkbox"/> (2) investment company | <input type="checkbox"/> (8) law firm |
| <input type="checkbox"/> (3) other investment adviser | <input type="checkbox"/> (9) insurance company or agency |
| <input type="checkbox"/> (4) financial planning firm | <input type="checkbox"/> (10) pension consultant |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer |
| <input type="checkbox"/> (6) banking or thrift institution | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?
- Yes No
☐ ☒

(If yes, describe on Schedule F the partnerships and what they invest in.)

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

FORM ADV**Part II - Page 5**

Applicant:

Clayton Financial Services, Inc.

SEC File Number:

801- 17344

Date:

06/30/2006**9. Participation or Interest in Client Transactions.**

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account?

Yes



No



(If yes, describe on Schedule F.)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

See Schedule F

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

See Schedule F

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

FORM ADV**Part II - Page 6**

Applicant:

Clayton Financial Services, Inc.

SEC File Number:

801-17344

Date:

07/26/2007

12. Investment or Brokerage Discretion.

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

(1) securities to be bought or sold?

Yes No

☒ ☐

(2) amount of the securities to be bought or sold?

Yes No

☒ ☐

(3) broker or dealer to be used ?

Yes N

☒ ☐

(4) commission rates paid?

Yes No

☐ ☒

B. Does applicant or a related person suggest brokers to clients?

Yes No

☐ ☒

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients?

Yes No

☒ ☐

B. directly or indirectly compensates any person for client referrals?

Yes No

☐ ☒

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet?

Yes No

☐ ☒

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date
Clayton Financial Services, Inc.	801-17344	03/19/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Clayton Financial Services, Inc.	IRS Empl. Ident. No.: 48-0985390
Item of Form (identify)	Answer
Item 1 D	<p>Clayton Financial Services, Inc. is referred to herein as “Applicant” or “Adviser.” Associated persons of Adviser are referred to herein as “Advisory Representatives.”</p> <p>Asset Management Services</p> <p>Clients wanting to engage Adviser to manage Client’s account will need to establish an account (“Account”) with Fidelity Investments and grant trading authorization to Adviser. Generally, Adviser’s minimum account size in order to obtain asset management services is \$250,000.00. Adviser will not maintain custody of client’s funds or securities. Custodial services for the managed Account will be provided through Fidelity Investments.</p> <p>Adviser offers asset management on a discretionary basis. Advisory Representatives will gather information on a client’s financial history, goals, objectives, and financial concerns and assist Client in developing an investment policy statement. All information gathered from Client is confidential. Client will establish an Account and deposit cash, cash equivalents and securities and engage Adviser to manage the assets in the Account. Based on client’s investment objectives, risk tolerance, and financial situation, the Adviser will manage the Account on a continuous basis.</p> <p>Advisory fees will be charged in advance on a calendar quarterly basis. The advisory fees payable upon initial implementation of the Account may be paid by Client upon receipt of an invoice from Adviser or collected directly from Account, provided Client has given Adviser written authorization. Advisory fees for all subsequent periods will be charged to and collected directly from Account early in the quarter. Clients will be provided with a fee invoice that identifies the advisory fee, the value of the Account and how the fee was calculated. Additionally, Clients will be provided with an Account statement reflecting the deduction of the advisory fee. If Account does not contain sufficient funds to pay advisory fees, Adviser has limited authority to sell or redeem securities in sufficient amounts to pay advisory fees.</p> <p>Fees are negotiable and are not based on a share of capital gains upon or capital appreciation of the funds or any portion of the funds. Advisory fees are in accordance with the following fee schedule:</p>

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV****Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date
Clayton Financial Services, Inc.	801-17344	07/26/2007

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Clayton Financial Services, Inc.	IRS Empl. Ident. No.: 48-0985390
--	--

Item of Form (identify)	Answer														
	<table><thead><tr><th><u>Account Size</u></th><th><u>Maximum Annual Fee</u></th></tr></thead><tbody><tr><td>First \$250,000</td><td>1.25%</td></tr><tr><td>Next \$250,000</td><td>.75%</td></tr><tr><td>Next \$250,000</td><td>.65%</td></tr><tr><td>Next \$250,000</td><td>.55%</td></tr><tr><td>Next \$1,000,000</td><td>.45%</td></tr><tr><td>Next \$1,000,000 & above</td><td>.35%</td></tr></tbody></table> <p>The above schedule represents annual fees. The quarterly fee is simply ¼ of the annual fee.</p> <p>In addition to the advisory fees above, Client may pay fees for custodial services, account maintenance fees, transaction fees, and other fees associated with maintaining the Account. Adviser does not share in any portion of such fees. Additionally, Client may pay their proportionate share of the fund's management and administrative fees and sales charges as well as the mutual fund adviser's fee of any mutual funds they purchase. Such fees are not shared with Adviser and are compensation to the fund-manager. Clients should read the mutual fund prospectus prior to investing.</p> <p>Clients may make additions to Account or withdrawals from Account. No fee adjustments will be made for partial withdrawals or for Account appreciation or depreciation.</p> <p>Clients may terminate investment advisory services obtained from Adviser, without penalty, upon written notice within five (5) business days after entering into the advisory agreement with Adviser. Client will be responsible for any fees and charges incurred by Client from third parties as a result of maintaining Account, such as transaction fees for any securities transactions executed and Account maintenance or custodial fees. Thereafter, Client may terminate investment advisory services with a written notice to Adviser. Should Client terminate investment advisory services during a quarter, Client will be charged a pro-rata portion of the advisory fee for the quarter up to the date of termination. Fees collected in excess of the pro-rata fee will be returned to Client within 30 days of advisory agreement termination.</p> <p>Advisory Representative will attempt to meet with Client at least annually or at Client's request to discuss Client's investment portfolio and to update Client's financial information should any changes have occurred.</p> <p><u>Financial Planning</u></p>	<u>Account Size</u>	<u>Maximum Annual Fee</u>	First \$250,000	1.25%	Next \$250,000	.75%	Next \$250,000	.65%	Next \$250,000	.55%	Next \$1,000,000	.45%	Next \$1,000,000 & above	.35%
<u>Account Size</u>	<u>Maximum Annual Fee</u>														
First \$250,000	1.25%														
Next \$250,000	.75%														
Next \$250,000	.65%														
Next \$250,000	.55%														
Next \$1,000,000	.45%														
Next \$1,000,000 & above	.35%														

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date
Clayton Financial Services, Inc.	801-17344	07/26/2007

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1.	Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Clayton Financial Services, Inc.	IRS Empl. Ident. No.: 48-0985390
Item of Form (identify)	Answer	
	<p>Adviser offers financial, estate, tax, and retirement planning services. Adviser will gather financial information and history from Client including, but not limited to, retirement and financial goals, investment objectives, investment horizon, financial needs, cash flow analysis, cost of living needs, education needs, savings tendencies and other applicable financial information required by Adviser in order to provide the investment advisory services requested. Based upon Client's needs, Adviser will prepare a written financial plan addressing Client's needs.</p> <p>Financial plans are based on the Client's financial situation at the time and are based on financial information disclosed by Client to Adviser. Clients are advised that certain assumptions may be made with respect to interest and inflation rates and use of past trends and performance of the market and economy. However, past performance is in no way an indication of future performance. Adviser cannot offer any guarantees or promises that Client's financial goals and objectives will be met. Further, Client must continue to review any plan and update the plan based upon changes in Client's financial situation, goals, or objectives or changes in the economy. Should Client's financial situation or investment goals or objectives change, Client must notify Adviser promptly of the changes.</p> <p>Adviser offers advisory services on both a fixed fee and hourly fee basis. Fees are negotiable and are charged in accordance with the fee schedule below:</p> <p><u>Fixed fee:</u> \$300 to \$7,500, depending upon complexity of plan – payable at the time of presentation of the plan, unless otherwise negotiated with the Client. Client may terminate the agreement prior to presentation of the plan and will be invoiced on a pro-rata basis services rendered to Client.</p> <p><u>Hourly Fee:</u> \$150 per hour – payable as invoiced by Adviser. Generally, Adviser will invoice Client for all time spent each month. Client may terminate hourly advisory services within five (5) business days after entering into the advisory agreement without penalty. After five (5) business days of entering into the advisory agreement, Client may terminate upon Adviser's receipt of Client's written notice to terminate. Client will be responsible for any time spent by Adviser in providing the Client with advisory services or analyzing Client's situation.</p> <p>Client is advised that fees for financial planning are strictly for financial planning services. Therefore, Client may pay fees for additional services obtained through either Applicant or outside service providers such as asset management or products purchased such as securities or insurance.</p> <p>GENERAL</p>	

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV****Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date
Clayton Financial Services, Inc.	801-17344	07/26/2007

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1.	Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Clayton Financial Services, Inc.	IRS Empl. Ident. No.: 48-0985390
Item of Form (identify)	Answer	
	<p>Advice offered by Advisory Representatives may involve investment in mutual funds. Fees paid to Adviser for advisory services are separate from the fees and expenses charged to shareholders of mutual fund shares by the mutual fund companies. A complete explanation of fees and expenses charged by mutual funds is contained in each mutual fund's prospectus.</p> <p>Lower fees for comparable services may be available from other sources. Material conflicts of interest have been disclosed to Client in writing via the Form ADV, Part II that could cause the Adviser or Advisory Representatives to not render unbiased and objective advice. Adviser does not maintain custody of client funds or securities.</p> <p>Client is advised that the investment recommendations and advice offered by Adviser are not legal advice or accounting advice. Client should coordinate and discuss the impact of financial advice with their attorney and/or accountant. Client is advised that it is necessary to inform Adviser promptly with respect to any changes in the client's financial situation and investment goals and objectives. Failure to notify Adviser of any such changes could result in investment recommendations not meeting the needs of Client.</p> <p>PRIVACY NOTICE</p> <p>Adviser gathers various nonpublic information from Clients in order to provide advisory products and services. Adviser does not share nonpublic information with nonaffiliated third parties except as required by law. Clients will be provided with a copy of Advisor's privacy policy upon establishment of a client relationship with Adviser and annually thereafter as long as Client remains an active client.</p> <p>WARRANTEES/REPRESENTATIONS</p> <p>Adviser does not represent, warrant or imply that the services or methods of analysis used by Adviser can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to major market corrections or crashes. No guarantees can be offered that Client's goals or objectives will be achieved. Further, no promises or assumptions can be made that the advisory services offered by Adviser will provide a better return than other investment strategies.</p> <p>PROXY VOTING</p> <p>Adviser does not vote proxy material for clients. Each client is responsible for voting all proxy materials.</p>	
Item 3 L	Real Estate Investment Trusts (REITS)	

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date
Clayton Financial Services, Inc.	801-17344	07/26/2007

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1.	Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Clayton Financial Services, Inc.	IRS Empl. Ident. No.: 48-0985390
Item of Form (identify)	Answer	
Item 5	Advisory Representatives must have obtained a passing score (generally, 70%) on the securities examinations required by the jurisdictions in which investment advisory business will be offered or have qualified for an exemption under the state requirement as a result of professional educational qualifications. Additionally, each individual who gives general investment advice is required to have a college degree and have obtained or be working toward a professional designation (i.e., CFP, CPA, etc.)	
Item 6	<p>Debra A. Clayton Year of Birth: 1949 <u>Education:</u> Pittsburg State University, Pittsburg, KS – graduated in 1971 with a Bachelor of Arts degree Professional Qualifications: Certified Financial Planner, 1995 <u>Business Background:</u> Clayton Financial Services, Inc., an investment adviser – position: President, Advisory Representative – 08/1984 to Present Royal Alliance Associates, Inc. – position: Registered Representative – 07/1991 to 06/2005.</p> <p>Randy J. Clayton Year of Birth: 1954 <u>Education:</u> Washburn University, Topeka, KS – graduated in 1988 with a Bachelor of Arts degree. Professional Qualifications: Certified Financial Planner and Charter Life Underwriter, 1981 <u>Business Background:</u> Clayton Financial Services, Inc., an investment adviser – position: Secretary/Treasurer, Advisory Representative – 08/1984 to Present Royal Alliance Associates, Inc. – position: Registered Representative – 11/1989 to 06/2005.</p> <p>Terry A Milberger Year of /birth: 1948 <u>Education:</u> University of Kansas, Lawrence, KS – graduated in 1970 with a Bachelor of Business Administration degree. University of Kansas, Lawrence, KS – graduated in 1972 with a Masters of Business Administration Professional Qualifications: Chartered Financial Analyst, 1975 <u>Business Background:</u> Clayton Financial Services, Inc., Position: Director of Portfolio Management – 08/2007 to Present</p>	

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV****Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date
Clayton Financial Services, Inc.	801-17344	03/19/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1.	Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Clayton Financial Services, Inc.	IRS Empl. Ident. No.: 48-0985390
Item of Form (identify)	Answer	
	<p>Retired – 03/2006 to 08/2007</p> <p>Piper Jaffary – Position: Money Manager – 03/2006 to 09/2004</p> <p>Security Benefit Group of Companies, Position: Senior Portfolio Manager – 10/1981 to 03/2004</p> <p>_____</p> <p>_____</p>	
Item 9 E	<p>Advisory Representatives may buy or sell securities identical to those securities recommended to clients. Therefore, Advisory Representatives may have an interest or position in certain securities that are also recommended and bought or sold to clients. Advisory Representatives will not put their interests before a Client's interest. Advisory Representatives may not trade ahead of their Clients or trade in such a way to obtain a better price for themselves than for their Clients. Adviser is required to maintain a list of all securities holdings for its associated persons. Further, associated persons are prohibited from trading on non-public information or sharing such information. Clients have the right to decline any investment recommendation. Adviser and its associated persons are required to conduct their securities and investment advisory business in accordance with all applicable Federal and State securities regulations.</p> <p>CODE OF ETHICS</p> <p>Adviser has a fiduciary duty to Clients to act in the best interest of the Client and always place the Client's interests first and foremost. Adviser takes seriously its compliance and regulatory obligations and requires all staff to comply with such rules and regulations as well as Adviser's policies and procedures, which Adviser maintains. Further, Adviser strives to handle Clients' non-public information in such a way to protect information from falling into hands that have no business reason to know such information and provides Clients with Adviser's Privacy Policy. As such, Adviser maintains a Code of Ethics for its Advisory Representatives, supervised persons and staff. The Code of Ethics contains provisions for standards of business conduct in order to comply with federal securities laws, personal securities reporting requirements, pre-approval procedures for certain transactions, code violations reporting requirements, and safeguarding of material non-public information about Client transactions. Further, Adviser's Code of Ethics establishes Adviser's expectation for business conduct. A copy of</p>	

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV****Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date
Clayton Financial Services, Inc.	801-17344	03/19/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1.	Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Clayton Financial Services, Inc.	IRS Empl. Ident. No.: 48-0985390
Item of Form (identify)	Answer	
	our Code of Ethics will be provided to any Client or prospective Client upon request.	
Item 10	Adviser will generally require Clients to deposit a minimum of \$250,000 (cash or securities) to a brokerage account in order to participate in the Asset Management/Portfolio Monitoring services offered by Adviser. However, under certain circumstances, Adviser may waive the minimum account size requirement and accept accounts less than \$250,000. Such circumstances may include, but not be limited to, 1) additional assets will soon be deposited or 2) Client has other accounts with Adviser. Clients are advised that performance may suffer due to difficulties with diversifying smaller accounts and due to risk controls potentially being compromised. Performance of smaller accounts may vary from the performance of accounts with more dollars invested since fluctuations in the market may affect smaller accounts more.	
Item 11 A	<p>Investment Advisory accounts are under continuous management on a discretionary basis. Clayton Financial Services Inc. (CFSI) gathers information from the client concerning their financial history, goals objectives and financial concerns and then assists the client in determining an asset allocation strategy. The client signs an Investment Policy Statement reflecting that decision. The Investment Policy statements are coordinated with model portfolios developed by CFSI. Portfolios are formally reviewed quarterly and brought into alignment with the model portfolios according to the rebalancing rules developed by CFSI. Portfolios are benchmarked against the model portfolios that are composed of indexes of the asset classes being used in the portfolios. Mutual funds are the main investment vehicle used by CFSI, and they are monitored by CFSI daily. CFSI maintains a list of mutual funds it is currently using and a list of funds it is monitoring. CFSI also reviews the performance of the model portfolios daily and also follows a benchmark portfolio composed of the recommended mutual funds. Every review of the client's portfolio includes a review of the portfolio's performance against these benchmark portfolios. No less than quarterly, the performance of all portfolios is compared with like portfolios. A different member of the Investment Team will review any portfolio with an unexplained, significant variance from the peer portfolios and the benchmark. The Investment Team determines any changes to the model portfolios or any changes in the recommended funds. The Investment Team is composed of Debra Clayton, Randy Clayton, and Terry Milberger.</p> <p>Financial plans will be reviewed when requested by client.</p>	

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV****Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date
Clayton Financial Services, Inc.	801-17344	07/26/2007

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1.	Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Clayton Financial Services, Inc.	IRS Empl. Ident. No.: 48-0985390
Item of Form (identify)	Answer	
Item 11B	Clients will be provided with account statements reflecting the transactions occurring in the client's account at least on a quarterly basis. Client will be provided with confirmations for each securities transaction executed in the client's account. Further, reports are sent quarterly to investment advisory clients. Statements list the assets, the owner, their current value and total portfolio return.	
Item 12 A (1) (2)	Clients grant Adviser authorization to manage Client's account on a discretionary basis. Client will grant such authority to Adviser by execution of the Client agreement. Client may terminate discretionary authorization at any time upon receipt of written notice by Adviser.	
Item 13 A	<p>Adviser may receive from Fidelity, without cost to Adviser, computer software and related systems support, which allow Adviser to better monitor client accounts maintained at Fidelity. Adviser may receive the software and related support without cost because Adviser renders investment management services to clients that maintain assets at Fidelity.</p> <p>Specifically, Adviser may receive the following benefits from Fidelity through the Fidelity Registered Investment Advisor Group: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Registered Investment Advisor Group participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.</p>	

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).