

Applicant: Millington Securities, Inc.

SEC File Number:

Date: 2/11/2010

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:

- ☒ (1) Provides investment supervisory services Estimate 25 %
- ☒ (2) Manages investment advisory accounts not involving investment
supervisory services. Estimate 75 %
- ☒ (3) Furnishes investment advice through consultations not included in either
service described above 0 %
- ☐ (4) Issues periodicals about securities by subscription %
- ☐ (5) Issues special reports about securities not included in any service
described above %
- ☐ (6) Issues, not as part of any service described above, any charts, graphs, formulas or other
devices which clients may use to evaluate securities %
- ☐ (7) On more than an occasional basis, furnishes advice to clients on matters not involving
securities %
- ☐ (8) Provides a timing service %
- ☐ (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 applicant call any of the services it checked above financial planning or some similar term? Yes ☐ No ☒

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

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

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

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

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

3. Types of Investments. Applicant offers advice on the following: (check those that apply)

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

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

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

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

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

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

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
- year of birth
- formal education after high school
- 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 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 advisor.

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C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:

- | | |
|---|--|
| <input checked="" type="checkbox"/> (1) broker-dealer | <input type="checkbox"/> (7) accounting firm |
| <input checked="" type="checkbox"/> (2) investment company | <input type="checkbox"/> (8) law firm |
| <input type="checkbox"/> (3) other investment advisor | <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 advisor or futures commission | <input type="checkbox"/> (11) real estate broker |
| <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, identify the related person and describe the relationship and the arrangements on Schedule F.)

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.)

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 the conditions for starting or maintaining an account? Yes ☐ No ☒

(If yes, describe on Schedule F.)

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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

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 ☒ No ☐
(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; 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 ☒

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Date:

Full name of applicant exactly as stated in Item 1A of Part I of Form ADV

Millington Securities, Inc.

IRS Empl. Identification No.:

20-4571245

Item of Form: Part II, Item 1, and 1D; Item 5; Item 6; Item 7A, 7B and 7C; Item 8C; Item 9A, 9B, 9D and 9E; Item 11A and 11B; and Item 12A

MSI provides portfolio supervisory services to the Millington Securities family of unit investment trusts, sponsored by MSI. Each trust is registered under the Investment Company Act of 1940. MSI also provides evaluation, bookkeeping and administrative services to certain Millington Securities unit investment trusts. The annual portfolio supervisory, evaluation, and bookkeeping and administrative fees charged to the trusts are based on the number of trust units outstanding.

The following sections describe the basic services provided to each of our client categories and the fees that are charged depending upon the type of clients and services and the nature of the securities in the account for which the services are provided. Other fees and services may apply on a negotiated arrangement.

Item of Form: Part II, Item 1A and 1D: Advisory Services to Unit Investment Trusts

MSI provides three basic services to Millington Securities unit investment trusts: portfolio supervision services, evaluation services, and bookkeeping and administrative services. Fees are payable after services are performed and are generally payable monthly. Each fee is further described in the prospectus of each trust.

A) *Portfolio Supervision.* MSI has been appointed Portfolio Supervisor under the Trust Indentures pursuant to which Millington Securities unit investment trusts are formed. As Portfolio Supervisor, MSI is responsible for monitoring each trust portfolio to ensure that the trust's portfolio maintains its sound investment character.

B) *Evaluation.* MSI has been appointed Evaluator under the Indentures pursuant to which certain Millington Securities unit investment trusts are formed. As Evaluator, MSI is responsible for determining the daily valuations of the securities in each trust's portfolio. MSI may rely on third-party pricing suppliers such as Bloomberg, J.J. Kenny, Interactive Data Corporation and Asset-Backed Securities Group, and any other relevant price or quote dissemination service or method to obtain prices for trust portfolio securities. Of course, MSI cannot be held responsible for pricing errors or omissions due to incorrect data obtained from pricing suppliers. The securities included in the unit investment trusts for which MSI acts as Evaluator include, but are not limited to, mutual fund shares, closed-end fund shares, exchange-traded fund shares, corporate and municipal bonds, common and preferred stocks, American Depositary Receipts, U.S. government debt instruments, GNMA certificates, real estate investment trusts and preferred securities. The prices of the securities contained in a unit investment trust's portfolio are determined by MSI using methods described in the prospectus for the trust. The trust indenture which creates each trust provides that the Evaluator may resign upon not less than sixty days' notice and may be removed by the Sponsor or the Trustee of the trust upon not less than thirty days' notice.

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C) *Bookkeeping and Administrative Services.* The Trust Indentures pursuant to which certain Millington Securities unit investment trusts are formed provide for the payment of a fee to MSI for providing certain bookkeeping and administrative services to the trusts. For the portfolio supervision, evaluation, and bookkeeping and administrative services described above, MSI receives an annual fee from each trust. Each such fee is a fixed amount per unit, is generally paid monthly, and is based on the number of units of the trust outstanding at the beginning of the calendar year.

MSI does not issue any publications or reports on a subscription basis or for a fee.

Item of Form: *Part II, Item 5: Education and Business Standards*

All individuals who render investment advisory services on behalf of the Registrant must have earned a college degree and/or have substantive investment-related experience. In addition, all such individuals shall have attained all required investment-related licenses and/or designations.

Item of Form: *Part II, Item 6: Education and Business Background*

The firm's investment committee consists of Charles G. Millington, John G. Phillips, and Charles F. Millington. The following is each member's Education and Business background.

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Charles Glenn Millington DOB: 1947

Education:

Certified Public Accountant (1974)
DePaul University, Chicago, IL
- M.B.A. Finance (1983)
DePaul University, Chicago, IL
- B.A. History (1970)

Licenses:

Series 7 – General Securities Broker
Series 24 – General Supervision Principal
Series 27 – Financial Operations Principal
Series 53 – Municipal Securities Principal
Series 66 (combined) – Uniform State Law

Business Background:

03/07 to Present	Macgregor Global Investments, LLC, Chicago IL FINOP
08/02 to 07/06	Claymore Securities, Inc. Lisle, IL CFO, COO, Treasurer
12/00 to Present	Millington & Company, Naperville, IL President
01/08 to Present	Millington Securities, Inc. Naperville, IL CEO, and CIO
09/81 to 11/99	Van Kampen Funds Inc. Oakbrook Terrace, IL Senior Vice President and Treasurer

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Full name of applicant exactly as stated in Item 1A of Part I of Form ADV

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John Griffin Phillips **DOB:** 1958

Education:

University of Chicago, Chicago, IL
- M.A. International Relations (pending thesis)
Wheaton College
- B.A. English Literature (1980)

Licenses:

Series 7 – General Securities Broker
Series 63 – Uniform State Law
Series 65 – Registered Investment Advisor

Business Background:

04/08 to Present	First Street Capital Partners LLC, Chicago, IL Principal
08/08 to Present	First Street Capital Advisors LLC, Chicago, IL Principal
03/07 to 03/08	Calamos Financial Services LLC, Naperville, IL Director of International Product Development
02/01 to 03/07	Nuveen Investments, Chicago, IL Vice President, Product Development
06/93 to 02/01	Nike Securities L.P, Lisle, IL Vice President, Product Development

Charles Francis Millington **DOB:** 1974

Education:

Certified Public Accountant (1997)
Northern Illinois University, DeKalb, IL
- M.B.A. (2002)
Illinois State University, Normal, IL
- B.S. Accounting (1996)

Licenses:

Series 7 – General Securities Broker
Series 66 (combined) – Uniform State Law

Business Background:

12/09 to Present	Millington Securities, Inc. Naperville, IL President
03/06 to 12/09	BP-Oil Americas, Warrenville, IL Manager of Trade Account Analysis
12/01 to 03/06	Millington & Company, Naperville, IL V.P. Controller
07/03 to 11/05	Claymore Securities, Inc. Lisle IL Controller

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Item of Form: *Part II, Item 7A, 7B and 7C; 8C; and 9A, 9B, 9D and 9E: Other Business Activities, Other Financial Industry Activities and Participation in Client Activities*

MSI, as depositor of the Millington Securities unit investment trusts, purchases securities for deposit into the unit investment trusts and for its inventory acting either as principal or as broker. In addition, MSI may act as broker in connection with sales of securities out of the portfolios of such trusts. MSI in its capacity as a broker/dealer may participate in municipal security underwritings where MSI may recommend these securities for its unit investment trusts. When acting as an executing broker/dealer, MSI may receive a standard mark up/mark down or commission.

MSI's efforts to obtain best execution on behalf of its clients include "reasonable diligence" in the purchase and sale of a security, so that the resulting price to the customer is as favorable as possible under prevailing market conditions. Some of the factors considered by MSI in obtaining best execution also may include the character of the market for the security, the size and type of the transaction, the number of primary markets checked and the location and accessibility to the customer's broker/dealer of primary markets and quotation sources.

MSI's principal business is unit investment trust sponsorship. Over 90% of time and other resources is spent on this activity.

MSI has adopted and enforces a Code of Business Conduct (the "Code") in accordance with Rule 17j-1 of Investment Company Act and Rule 204A-1 of the Investment Advisers Act of 1940. All MSI employees considered either "access persons" or "investment persons" together "Covered Employees") are subject to the Code. The Code discusses areas such as conflicts of interest and insider trading and sets forth specific rules relating to personal securities trading and service on the boards of directors of publicly traded companies.

Under the Code, MSI has implemented procedures aimed at ensuring that Covered Employee and client transactions do not create a conflict of interest. MSI maintains a record of securities transactions by it and its Covered Employees. Each MSI employee is required to inform MSI of any account for which they have direct or indirect influence or control and to have duplicate confirmations and statements sent to MSI's Compliance Department. The confirmation will contain the following information: title and amount of the security involved; date and nature of the transaction (e.g., purchase, sale, or other acquisition or disposition); price at which the transaction was effected; and name of the broker, dealer, or bank through whom the transaction was effected. The Code also sets forth reporting requirements for Covered Employees, including annual reporting of all holdings, and requires that each Covered Employee certify in writing annually that he or she has received, read, and understands the Code and further certify that he or she has complied with the Code's provisions during the preceding year. As an additional supervisory procedure, MSI requires prior approval before Covered Employees invest or recommend that clients invest in non-

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public, private transactions (e.g., private placements). Clients and prospective clients interested in obtaining a copy of MSI's Code should contact MSI's Compliance Department at 222 S. Mill St. Naperville, IL 60540.

Item of Form: *Part II, Item 11A: Review of Accounts*

The firm provides supervisory services for unit investment trust portfolios. Reviews of portfolio securities are performed as often as necessary to properly address situations which may require continued surveillance or conclude with a decision to liquidate a security. The levels of review begin with research personnel who inform management about underlying unit investment trust securities which show cause for concern.

Situations which trigger additional review include, but are not limited to, an issue or issues being placed on one of the rating agencies credit watch, an issue/issuer's rating is downgraded, negative news (especially financial news) regarding an issuer is disclosed, etc.

Item of Form: *Part II, Item 11B: Reports to Clients*

The regular reports to unit investment trust holders consist of the Trustee's Annual Report which provides a current portfolio and the activity in the trust during the prior calendar year. For all accounts, the staff of MSI is available during normal business hours to answer any questions or concerns that may arise.

Item of Form: *Part II, Item 12A and 12B: Investment or Brokerage Discretion*

Brokers chosen to execute transactions on behalf of Millington unit investment trusts are selected considering "best execution". Under the best execution rule, it is a function of an investment advisor's fiduciary duty to consider certain benefits; these benefits may include broker expertise in the type of transaction contemplated, prompt delivery or receipt of securities in the settlement process or the execution costs relating to the transaction. Commissions and fees relating to security execution will be competitive and customary. There may be instances where an affiliate of MSI may be chosen as a broker on a best execution basis. However, any fees or commissions charged will be reasonable and customary to the type of assets under management.

All investment activities relate to the purchase and sale of securities for the formation of unit investment trusts. Therefore, no other discretion is exercised.