

**ITEM 1. COVER PAGE FOR
PART 2A APPENDIX 1 OF FORM ADV:
WRAP FEE PROGRAM BROCHURE**

DATED APRIL 2012

**MUTUAL SECURITIES INC. OF CALIFORNIA d/b/a MUTUAL SECURITIES, INC.
("Mutual")
807-A CAMARILLO SPRINGS ROAD
CAMARILLO, CA 93012
805-764-6730**

FIRM CONTACT: JULIE LAN COHEN, CHIEF COMPLIANCE OFFICER

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This wrap fee program brochure provides information about the qualifications and business practices of Mutual. If you have any questions about the contents of this brochure, please contact by telephone at 805-764-6730 or email at compliance@mutualsecurities.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Authority.

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

Please note that the use of the term "registered investment adviser" and description of Mutual and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of our firm and our employees.

**Item 2 - Material Changes To Part 2A Appendix 1 (Wrap Fee
Program Brochure) Of Our Form Adv:**

Mutual is required to advise you of any material changes to our Wrap Fee Program Brochure (“Wrap Brochure”) from our last annual update, identify those changes on the cover page of our Wrap Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Wrap Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Wrap Brochure, and we must provide the date of the last annual update of our Wrap Brochure.

Please note we do not have to provide this information to a client or prospective client who has not received a previous version of our Wrap Brochure.

The date of the last annual update of our Brochure was filed on 09/02/2011.

04/2012 - Our firm is switching from SEC registration to State registration.

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Item 4 - Services, Fees and Compensation

Introduction

Mutual Securities, Inc. is a state registered investment adviser, which manages Clients' assets on a non-discretionary, all inclusive fee basis, through our Asset Advantage Service Program. If the appropriate disclosure statements, consisting of this document and our firm's Form ADV Part 2A were not delivered to Client at least 48 hours prior to Client entering into any written or oral advisory contract with our firm, then Client has the right to terminate the contract without penalty within five business days after entering into the contract. For the purposes of this provision, a contract is considered entered into when all parties to the contract have signed the contract, or, in the case of an oral contract, otherwise signified their acceptance, any other provisions of this contract notwithstanding.

Neither we nor the Client may assign the Investment Advisory Agreement without the prior written consent of the other party. Transactions that do not result in a change of actual control or management of our firm shall not be considered an assignment.

Client may engage us to design an investment portfolio and provide ongoing corresponding non-discretionary investment management services on a fee-only basis.

Investment Advisory Accounts will generally be established with National Financial Services, LLC, ("NFS") a Fidelity Investments Company, an unaffiliated service provider. Factors which our firm considers in utilizing NFS (or any other broker-dealer/custodian) to clients include its respective financial strength, reputation, execution, pricing, reporting, research, and service. Prior to us providing investment management services, Client will be required to enter into a formal Investment Advisory Agreement with our firm setting forth the terms and conditions under which we shall manage Client's assets, and a separate custodial/clearing agreement with NFS.

Our firm's Investment Advisory Agreement and the custodial/clearing agreement may authorize the account custodian to debit the client account for the amount of our investment advisory fee and to directly remit that management fee to us in accordance with required state procedures.

A minimum annual fee of \$1,000 per year will be charged.

GENERAL ACCOUNT INFORMATION

Education

All individuals that render investment advisory services on behalf of us shall have the FINRA Series 65, 7 and 66 or an exemption from these licenses.

Account Review and Supervision

Accounts are monitored on an ongoing basis by the Investment Advisory Representative of our firm.

Cost of Mutual Securities, Inc., Asset-Based Fee programs and Services Relative to Non-Asset-Based Fee Alternatives

Clients who participate in the Asset Advantage Service Program or retain the services described in this brochure and who pay asset-based fees for a variety of services may pay more or less for such services than if they purchase such services separately. Factors that bear upon the cost of the Asset Advantage Service Program asset-based fee program in relation to the cost of the same services purchased separately include, among other things, the type and size of the account, the historical and expected size or number of trades for the account, and the number and range of supplementary advisory and Client related services provided to the account.

Termination

The Investment Advisory Agreement between our firm and Client will continue in effect unless terminated by either party by written notice in accordance with the terms and conditions of the applicable agreement. Our firm's asset-based fee shall be prorated through the date of termination, and any remaining balance shall be refunded to Client.

ABOUT MUTUAL SECURITIES, INC.

Our firm maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by us.

Our firm is committed to safeguarding the confidential information of our clients and holds all personal information provided to it in the strictest confidence. These records include all personal information that our firm collects from our clients or receives from other firms in connection with any of the financial services they provide. Our firm also requires other firms with whom they deal to restrict the use of client's information. Our Privacy Policy is available upon client's engagement of the firm's services or by prior request of the clients.

Solicitations

Clients in the Asset Advantage Service Programs may also be clients of our firm's broker-dealer. In such cases a client may be solicited by their respective representative about investment ideas or products for their brokerage account if such solicitations are in line with the client's overall investment objectives and risk tolerance.

Mutual Securities, Inc.'s Advisory Services

Our firm recommends and employs various investment strategies in providing investment management services, depending upon the services to be rendered and the objectives and guidelines of the client. Not all of these strategies are appropriate for all clients, however, and only those strategies believed to be suitable will be recommended in any given Client account or advisory program.

Investment Advisory Brokerage Services

Investment advisory transactions will generally be executed through National Financial Services, LLC. As previously mentioned, there may be cases where associated persons of the firm act in their separate capacities as registered representatives of Mutual Securities, Inc. In such cases, they may suggest that clients execute transactions through Mutual Securities, Inc. (such as financial consultation recommendations).

General Disclosure

In performing our services, we shall not be required to verify any information received from Client or from Client's other professionals, and is expressly authorized to rely thereon. Client is free to accept or reject any recommendation made by us. Moreover, Client is advised that it remains their responsibility to promptly notify us if there are any changes in financial situation or investment objectives for the purpose of reviewing/evaluating/revising our firm's previous recommendations and/or services, or if they wish to impose any reasonable restrictions upon our management services.

BIOGRAPHICAL INFORMATION ON KEY PRINCIPALS

Ryan Sabol

Year of Birth: 1971

Education Background: University of California at Irvine, BA; Tulane University, MBA

Licensing: Series 7, 24, 55, 66

Business Background: Mutual Securities, Inc., Executive Vice President, Camarillo, CA, 2/2000 to Present; Zola Capital Management, Vice President, San Francisco, CA 3/2002 to 2/2004

Mitchell C. Voss

Year of Birth: 1958

Licensing: Series 4, 7, 24, 27, 53, 63, 65

Business Background: Mutual Securities, Inc., Camarillo, President 1991 to Present

- A. Description of our services, including the types of portfolio management services, provided under each program. We must indicate the wrap fee charged for each program, or, if fees vary according to a schedule, provide such schedule. Further, we are required to indicate whether fees are negotiable and identify the portion of the total fee, or range of fees, paid to portfolio managers.

We offer wrap fee programs as described in this Wrap Fee Program Brochure. Our wrap fee accounts are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc.

Asset Advantage Service Program

We emphasize continuous and regular account supervision. Client may engage our firm to design an investment portfolio and provide ongoing corresponding non-discretionary investment management services on a fee-only basis. Once the appropriate portfolio has been determined, we review the portfolio at least annually.

<u>Account Asset Level</u>	<u>Equity Rate*</u>	<u>Mutual Fund/Variable Annuity/Fixed Income Cash/ Money Market Fund Rate*</u>
From \$0-\$99,999.99	2.25%	1.00%
Next \$150,000	2.25%	1.00%
Next \$250,000	1.75%	1.00%
Next \$250,000	1.25%	1.00%
Next \$250,000	1.25%	0.75%
Next \$1,000,000	0.90%	0.75%
Next \$1,000,000	0.85%	0.50%
Next \$2,000,000	0.85%	0.50%
Next \$5,000,000	0.50%	0.50%
Over \$10,000,000	0.30%	0.50%

*Our firm's fees are billed on a pro-rata annualized basis quarterly in advance based on the value of your account on the last day of the previous quarter.

- B. Explanation that a wrap fee program may cost you more or less than purchasing such services separately and description of the factors that bear upon the relative cost of the program, such as the cost of the services if provided separately and the trading activity in your account(s).

A wrap fee program allows our clients to pay a specified fee for investment advisory services and the execution of transactions. The advisory services may include portfolio management and/or advice concerning selection of other advisers, and the fee is not based directly upon transactions in your account. Your fee is bundled with our costs for executing transactions in your account(s). This results in a higher advisory fee to you. We do not charge our clients higher advisory fees based on their trading activity, but you should be aware that we may have an incentive to limit our trading activities in your account(s) because we are charged for

executed trades. By participating in a wrap fee program, you may end up paying more or less than you would through a non-wrap fee program where a lower advisory fee is charged, but trade execution costs are passed directly through to you by the executing broker.

- C. Description of any fees that you may pay in addition to a wrap fee, and description of the circumstances under which you may pay these fees, including, if applicable, mutual fund expenses and mark-ups, mark-downs, or spreads paid to market makers.

You may pay custodial fees, charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. These fees are not included within the wrap-fee you are charged by our firm.

- D. If someone recommending a wrap fee program to you, receives compensation as a result of your participation in the program, we must disclose this fact. Further, we are required to explain, if applicable, that the amount of the compensation may be more than what the person would receive if you participated in our other wrap fee program or paid separately for investment advice, brokerage and other services. Finally, we must explain that someone recommending a wrap fee program may have a financial incentive to recommend the wrap fee program over other programs or services.

Our investment advisory representatives receive a portion of the advisory fee that you pay us, either directly as a percentage of your overall fee or as their salary from our firm. In cases where our investment advisory representatives are paid a percentage of your overall advisory fee, this may create an incentive to recommend that you participate in a wrap fee program rather than a non-wrap fee program (where you would pay for trade execution costs) or brokerage account where commissions are charged. This is because, in some cases, we may stand to earn more compensation from advisory fees paid to us through a wrap fee program arrangement if your account is not actively traded.

Item 5 - Account Requirements and Types of Clients

Our requirements for opening and maintaining accounts or otherwise engaging us:

- We require a minimum account balance of \$50,000 for our Asset Advantage Service Program. Generally, this minimum account balance requirement is not negotiable and would be required throughout the course of the client's relationship with our firm.

Types of clients we typically manage wrap fee accounts on behalf of, include:

- Individuals and High Net-Worth Individuals;
- Trusts, Estates or Charitable Organizations;
- Pension and Profit Sharing Plans;
- Corporations, limited liability companies and/or other business types

Item 6 - Portfolio Manager Selection and Evaluation

A. Description of how our firm selects and reviews portfolio managers, our basis for recommending or selecting portfolio managers for particular clients, and our criteria for replacing or recommending the replacement of portfolio managers for the program and for particular clients.

Our firm does not utilize outside portfolio managers for our Asset Advantage Service Program. All accounts are managed by our Investment Advisory Representatives.

- 1) Standards we use to calculate portfolio manager performance, such as industry standards or standards used solely by our firm.

We do not calculate portfolio manager performance. Instead, we rely upon the performance figures based on client's monthly or quarterly statements.

- 2) Indication of whether we review, or whether any third-party reviews, performance information to determine or verify its accuracy or its compliance with presentation standards. If so, we must briefly describe the nature of the review and the name of any third party conducting the review.

We do not review performance information or hire third parties to do so, in order to determine or verify its accuracy or compliance with presentation standards.

- 3) If applicable, an explanation that neither our firm nor a third-party reviews portfolio manager performance information, and/or that performance information may not be calculated on a uniform and consistent basis.

Our firm does not review performance information from portfolio managers and we do not hire party firms to do so. As a result, performance information may not be calculated on a uniform and consistent basis.

- B. Disclosure of whether our firm or any related persons act as a portfolio manager for a wrap fee program described in the wrap fee program brochure. We must explain the conflicts of interest that we face because of this arrangement and describe how we address these conflicts of interest. Further, we must disclose whether related person portfolio managers are subject to the same selection and review as the other portfolio managers that participate in the wrap fee program. If they are not, we must describe how we select and review related person portfolio managers.

Our firm and Investment Advisory Representatives act as portfolio manager(s) for the Asset Advantage Service Program previously described in this Wrap Fee Program Brochure. This may create a conflict of interest in that other investment advisory firms may charge the same or lower fees than our firm for similar services.

- C. If our firm, or any of our supervised persons covered under or investment adviser registration, act as a portfolio manager for a wrap fee program described in the wrap fee program brochure, we must respond to Items 4.B, 4.C, 4.D (Advisory Business), 6 (Performance-Based Fees and Side- By-Side Management), 8.A (Methods of Analysis, Investment Strategies and Risk of Loss) and 17 (Voting Client Securities) of Part 2A of Form ADV (Firm Brochure).

Our firm and Investment Advisory Representatives act as portfolio manager(s) for the Asset Advantage Service Program described in this Wrap Fee Program Brochure.

(i) Advisory Business:

See Item 4 of this Wrap Fee Program Brochure for information about our wrap fee advisory programs.

(ii) Individual Tailoring of Advice to Clients:

We offer individualized investment advice to clients utilizing the following services offered by our firm: Asset Advantage Service Program.

(iii) Ability of Clients to Impose Restrictions on Investing in Certain Securities or Types of Securities:

We usually do not allow clients to impose restrictions on investing in certain securities or types of securities due to the level of difficulty this would entail in managing their account. In the rare instance that we would allow restrictions, it would be limited to the following services: Asset Advantage Service Program.

(iv) Participation in wrap fee programs.

Our wrap fee and non-wrap fee accounts are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc. We do not manage wrap fee accounts in a different fashion than non-wrap fee accounts.

(v) Performance-based fees and side-by-side management.

We do not charge performance fees to our clients.

Methods of analysis, investment strategies and risk of loss.

Description of the methods of analysis and investment strategies we use in formulating investment advice or managing assets.

Methods of Analysis:

- Charting;
- Fundamental;
- Technical;
- Cyclical;

Investment Strategies we use:

- Long term purchases (securities held at least a year);
- Short term purchases (securities sold within a year);
- Trading (securities sold within 30 days);

Please note:

Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have.

Voting client securities.

A. If we have, or will accept, proxy authority to vote client securities, we must briefly describe our voting policies and procedures.

We do not and will not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, we will forward them on to you and ask the party who sent them to mail them directly to you in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

Item 7 - Client Information Provided to Investment Advisory Representative(s)

We are required to describe the information about you that we communicate to your investment advisory representative, and how often or under what circumstances we provide updated information. Our firm communicates with your investment advisory representative on a regular basis as needed (daily, weekly, monthly, etc) to ensure your most current investment goals and objectives are understood by your investment advisory representative. In most cases, we will communicate such information as part of our regular investment management duties. Nevertheless, we will also communicate information to your Investment advisory representatives(s) when you ask us to, when market or economic conditions make it prudent to do so, etc.

Item 8 - Client Contact with Investment Advisory Representative(s)

All communications must be channeled through our firm.

Item 9 - Additional Information

A. We are required to respond to: 1. Item 9 (Disciplinary Information); and 2. Item 10 (Other Financial Industry Activities and Affiliations) of Part 2A of Form ADV.

1. We have determined that our firm and management have nothing to disclose under the aforementioned standard.
2. We have other financial industry activities and affiliations to disclose:

We are actively engaged in the business of being a registered securities broker-dealer, member FINRA, MSRB, SIPC. All of our firm's investment advisory representatives are dually licensed registered representatives with the affiliated broker-dealer. In their separate roles as registered representatives, they may offer commissionable securities products to clients for which they will earn the normal commissions.

Clients in our firm's Asset Advantage Service Program may also be clients of the broker-dealer. In such cases a client may be solicited by their respective representative about investment ideas or products for their brokerage account if such solicitations are in line with the client's overall investment objectives and risk tolerance.

Our principal business activity is that of a registered securities broker-dealer. Our firm's officers and employees spend more than half of their time devoted to broker-dealer business.

A conflict of interest may arise as these commissionable securities sales may create an incentive to recommend products incentive to recommend products based on the compensation adviser and/or our supervised persons may earn and may not necessarily be in the best interests of the client.

Some of our firm's representatives are separately licensed as insurance agents/brokers with various companies. In this role, they may offer commissionable insurance products to our firm's clients for which they may receive compensation.

A conflict of interest may arise as these commissionable insurance product sales may create an incentive to recommend products incentive to recommend products based on the compensation adviser and/or our supervised persons may earn and may not necessarily be in the best interests of the client.

- B. We are required to respond to: 1. Items 11 (Code of Ethics or Interest in Client Transactions and Personal Trading); 2. Item 13 (review of Accounts); 3. Item 14 (Client Referrals and Other Compensation); and 4. Item 18 (Financial Information) of Part 2A of Form ADV, as applicable to our wrap fee clients.

1. Code of ethics, participation or interest in client transactions and personal trading.

Brief description of our Code of Ethics adopted and offer to provide a copy of our Code of Ethics to any client or prospective client upon request.

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts¹. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.

Furthermore, our firm has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our

¹ For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

If our firm or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that our firm or a related person recommends to clients, we are required to describe our practice and discuss the conflicts of interest this presents and generally how we address the conflicts that arise in connection with personal trading.

See Item 9 Section B (1.) of our Code of Ethics description. Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request.

If our firm or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for our firm's (or the related person's own) account, we are required to describe our practice and discuss the conflicts of interest it presents. We are also required to describe generally how we address conflicts that arise.

See Item 9 Section B (1.) of our Code of Ethics description. Related persons of our firm may buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request. Further, our related persons will refrain from buying or selling the same securities within 48 hours of buying or selling for our clients. If related persons' accounts are included in a block trade, our related persons will always trade personal accounts last.

2. Review of accounts.

- a) Review of client accounts, along with a description of the frequency and nature of our review, and the titles of our employees who conduct the review.

We review accounts on at least an annual basis for our clients subscribing to the following services: Asset Advantage Service Program. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable.

- b) Review of client accounts on other than a periodic basis, along with a description of the factors that trigger a review.

We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

- c) Description of the content and indication of the frequency of written or verbal regular reports we provide to clients regarding their accounts.

We do not provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis when we meet with clients who subscribe to the following service(s): Asset Advantage Service Program.

3. Client referrals and other compensation.

- a) If someone who is not a client provides an economic benefit to our firm for providing investment advice or other advisory services to our clients, we must generally describe the arrangement. For purposes of this Item, economic benefits include any sales awards or other prizes.

We have nothing to disclose in this regard.

- b) If our firm or a related person directly or indirectly compensates any person who is not our employee for client referrals, we are required to describe the arrangement and the compensation.

We do not pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm.

4. Financial information.

- a) If we require or solicit prepayment of more than \$500 in fees per client, six months or more in advance, we must include a balance sheet for our most recent fiscal year.

We do not require nor do we solicit prepayment of more than \$500 in fees per client, six months or more in advance, therefore we have not included a balance sheet for our most recent fiscal year.

- b) If we are a state-registered adviser and have discretionary authority or custody of client funds or securities, or we require or solicit prepayment of more than \$500 in fees per client, six months or more in advance, we must disclose any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.

We have nothing to disclose in this regard.

- c) If we have been the subject of a bankruptcy petition at any time during the past ten years, we must disclose this fact, the date the petition was first brought, and the current status.

We have nothing to disclose in this regard.

Item 10. Requirements for State-Registered Advisers

In addition to any relationship or arrangement described in response to Item 9.A.2 of Part 2A Appendix 1 of Form ADV, we must describe any relationship or arrangement that our firm or any of our management persons have with any issuer of securities that is not listed in Item 9.A.2 of Part 2A Appendix 1 of Form ADV.

We are state registered and have responded to this Item in Item 9.A.2 of this Part 2A Appendix 1 of Form ADV.