

**CLIENT ONE SECURITIES LLC**  
FORM ADV – PART 2A APPENDIX 1 INFORMATION  
May 29, 2013

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**This Wrap Fee Program Brochure provides information about the qualifications and business practices of Client One Securities LLC (“C1S”). If you have any questions about the contents of this Brochure, please contact us at (913) 814-6097 or [IAR@client1securities.com](mailto:IAR@client1securities.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. The term registered does not imply a certain level of skill or training.**

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

***Item 2- Material Changes To This Wrap Fee Brochure Since Its Last Annual Update***

May 2013 - Client One Securities, LLC converted from registration with individual states to registration with the U. S. Securities & Exchange Commission.

**Item 3**

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#### ***Item 4 - Service, Fees and Compensation***

Besides being a firm specializing in providing investment advisory services, Client One Securities LLC ("C1S") is also a broker-dealer, Member FINRA/SIPC, which began its business in November 2010. The firm provides financial planning, consulting, and investment management "wrap fee" and "non wrap fee" services to a wide variety of clients. C1S is wholly-owned by Creative Marketing International Corp. an insurance marketing firm. Creative Marketing International Corp. is owned by Aviva USA Corporation, a life insurance company. Aviva USA Corporation is owned by Aviva Int'l Holdings, Ltd., which is owned by Aviva Insurance Ltd. Aviva Insurance Ltd. is owned by Aviva Int'l. Insurance, Ltd., which is owned by Aviva Group Holdings, Ltd. which is owned by Aviva PLC a publicly traded company. C1S does not control any other firm. The "wrap fee" management services of C1S are described in detail below. Another brochure, available upon request, describes financial planning, consulting and third party manager services.

As of December 31, 2012, C1S has regulatory assets totaling \$74,300,000 under discretionary management and none under non-discretionary management.

##### ***A. Discretionary Investment Management***

C1S provides clients with wrap fee portfolio management and reporting services by means of its Discretionary Investment Management service. Through the service, clients receive investment analyses, investment recommendations, quarterly statements reflecting holdings and certain transactions and ongoing account monitoring services by C1S Representatives allowed to provide the services. Within the service are two programs, Client Centered Management and Client Focused Management. Securities managed by the firm's Representatives in the Client Centered program may include stocks, bonds, mutual funds, exchange-traded funds, private placements, and convertible securities. Securities managed by the firm's Representatives in the Client Focused program include primarily mutual funds. To the extent that sub-funds of annuities or variable life contracts are managed, such contracts will not involve a sales load when purchased, and may be of the type issued specifically for investment management firms to manage. C1S Representatives will use discretionary trading authority while providing these services. Clients are free to impose reasonable restrictions on the types of investments for their account.

The initial investment and asset allocation recommendations are based on the financial information gathered from each client including net worth, risk tolerance, financial goals and objectives, client investment restrictions and overall financial conditions. Based on this information, the client is provided with initial investment recommendations designed to provide an appropriate asset mix consistent with the client's objectives. The client's portfolio and its performance are monitored by the client's Representative in light of the client's stated goals and objectives. The frequency of these reviews and transactions made for a client's account are determined by the Representative. C1S Representatives typically meet with the client on an as-needed or as-requested basis to discuss the portfolio and other aspects of the service with a minimum of one annual review.

As a general rule, C1S believes that investing is best suited to those who believe in a long-term buy-and-hold policy. Therefore, clients should not expect frequent investment changes in the portfolio. However, as a result of monitoring the account, investment purchases and sales will be made.

Investments are not held by C1S. Instead, all investments managed by C1S are usually held at the brokerage firm ("Custodian") through which transactions are placed. C1S usually requires the custodial and transaction services of Pershing, LLC, its transaction clearing firm. To the extent a client receives any account or other investment ownership statement from C1S, C1S recommends the client carefully compare the report to the custodian's statements.

As indicated above, when providing Discretionary Investment Management, C1S Representatives will exercise discretion when granted authority by clients and most clients grant discretionary authority to C1S. When doing so, it allows C1S to select the securities to buy and sell, the amount to buy and sell, when to buy and sell, and the commission rate paid, without obtaining specific consent from the client for each trade. Clients should be aware that Representatives may make different recommendations and effect different trades with respect to the same securities and insurance to different advisory clients. Commissions and executions of certain securities transactions not covered by the wrap service fee, and transaction executions within the wrap program, implemented through the Custodian may not be better than the commissions or executions available if the client used another brokerage firm. However, C1S believes that the overall level of services and support provided to the client by custodians and broker-dealers for any trades not covered by the wrap fee outweighs the potentially lower costs that may be available from other brokerage service providers.

When exercising discretion, C1S may combine orders for more than one client's account to form a "block" order for the purpose of seeking a better price and or execution. When a block order is executed, the broker/dealer executing the order typically allocates an average execution price to all shares in the block order, which C1S then allocates to each customer's account position on a pro rata basis. Should a block order only be partially filled, available shares are distributed in a manner fair to all accounts.

If a client directs C1S to effect transactions through a particular broker/dealer, including Pershing, C1S will do so. However, such an instruction may have implications to the client which may include incurring transaction costs that may be higher or lower than if the instruction had not been given. Also, restricting C1S to particular broker/dealers may limit C1S' ability to include a client account order within block orders to obtain the best price or execution. For these reasons, Pershing LLC is the firm customarily required to be used for C1S's Discretionary Investment Management Service.

In these instances where an order error occurs by C1S, it is C1S's policy to make the client's account whole.

C1S does not process transactions through Pershing in return for Pershing referring new clients to C1S.

#### *Discretionary Investment Management Wrap Fees.*

Fees for Discretionary Investment Management services are negotiable and can be determined by each client's C1S Representative. The fee schedule is calculated as a percentage of the total value of investments under C1S's management at the rates set forth in the Fee Schedule below. No performance-based fee is charged.

#### **Schedule of Fees**

<b>Value of Assets Under Management</b>	<b>Annual Fee</b>	<b>Quarterly Fee</b>
First \$100,000	2.8%	.70%
Next \$400,000	2.4%	.60%
Next \$500,000	2.0%	.50%
Over \$1,000,000	1.8%	.45%

\*There is a minimum account value of \$25,000, and a minimum annual fee per Client Centered or

Client Focused Program Account of \$100, payable quarterly.

Advisory fees are negotiable and include all fees and charges for services, as applicable, of C1S and certain brokerage commissions. The does not include (a) charges for services provided by C1S, its affiliates or third parties which are outside the scope of the agreement (e.g., retirement plan administration fees, trustee fees, wire transfer fees, account fees and charges incidental to brokerage and custodial services, etc.); (b) any taxes for fees imposed by exchanges or regulatory bodies; (c) mark-ups and mark downs charged on principal trades; (d) brokerage commissions and other fees and charges imposed because C1S or the client chooses to effect securities transactions for the account with or through a broker-dealer other than a custodian recommended by C1S; (e) sales loads and internal operating expenses on mutual funds, exchange traded funds and variable insurance contracts; (f) commission on transactions occurring after notice of agreement termination is given by one party to the other; and (g) commissions on transactions ordered by the client. East of these additional charges may be separately charged to the account or reflected in the price paid or received for the security transaction.

Fees are payable quarterly, in advance, and are calculated daily on the basis of the market value of the investments in the account, including any balances held in money market funds. The fee for the initial quarter is pro-rated for the period that services are provided. Subsequent fees are based upon the market value of the account at the end of each day during the previous quarter. Also, the account balances of related accounts may, at C1S's discretion, be combined for fee calculation purposes. Upon termination of the Agreement, any pre-paid advisory fees will be prorated and any unearned fee will be prorated and refunded. Fees are applied and prorated if assets value \$20,000 or more are deposited to the account during any quarter. No pre-paid fee is returned based upon partial withdrawals by a client. The Investment Management Service Agreement may be terminated by ten (10) days advance written notice from either party to the other. For fee calculation purposes, C1S may combine the values of related accounts.

C1S may amend its fee schedule upon thirty (30) days advance written notice to the client.

The fees paid to C1S are for C1S's advisory services and certain, but not all, transaction commissions. (See C. below) C1S will include the costs of independent third-party manager services in its fee only in those instances where the client has not entered into an agreement directly with the manager.

Fees payable to C1S for Discretionary Investment Management services are, with the client's prior permission, automatically deducted from the client's account when due. The client will receive an invoice from C1S, as well as reports from the account's custodian, showing the fee calculation and fee amounts debited. C1S will liquidate money market shares to pay the fee and, if money market shares or cash value are not available, other investments will be liquidated. Authorization for the deduction of fees from the managed account is contained in the Services Agreement. The client may terminate the authorization for automatic deduction at any time by notifying C1S in writing.

#### **B. Costs**

C1S's "wrap" fees shown above may be more or less than that charged by C1S to another client for similar services, and by other advisers for similar services. Also, C1S's "wrap" fee, i.e., the fee covering both advisory services and certain transaction commissions, may be more or less than two fees charged separately for management and transaction brokerage services. The factors that bear upon the cost of services are the size of the account, number of transactions, strategies employed, type of securities within an account, and whether trades are placed through a brokerage firm other than the custodian resulting in per trade commissions being charged to the account.

C1S does not charge any performance-based fee.

**C. Internal Fees of Funds and Other Excluded Costs**

In the event that exchange-traded funds or mutual funds are part of a client's portfolio, the mutual funds charge additional and separate internal management fees as described in the fund's prospectus. Thus, when these funds are in a client's account, two advisory fees are imposed: one internally by the fund, the other by C1S. On qualified accounts, any internal 12b-1 fees payable to C1S by the mutual fund will be rebated to client accounts.

Not all transaction-related expenses are covered by the "wrap" fee schedule shown above. Mark-ups and mark-downs, spreads by market-makers, certain account charges by the Custodian, commissions and costs for transactions not placed through C1S's recommended Custodian, commissions on transactions occurring after termination of C1S's services agreement, and client-ordered transaction commissions are not covered. See the "Fees" section above.

**D. Wrap Fee Incentives**

Because C1S absorbs transaction costs, its Representatives giving advice have a recommended financial incentive not to place transaction orders frequently since doing so increases the transaction costs to C1S and thereby reducing its revenue which the Representative shares. Thus, an incentive exists in a wrap services program to place trades less frequently. Also, because fees are asset-based, there is an incentive for the Representative to recommend that a client not reduce positions since doing so will reduce the fee to the Representative. Also, Representatives may receive more compensation in this program over others which require separate payment for advice, brokerage and other services, thus this financial incentive may also create a conflict of interest.

***Item 5 - Account Requirements and Types of Clients***

There is a minimum account size of \$25,000 and a minimum annual fee per Client Centered and Client Focused program account of \$100, payable quarterly. However, C1S may waive this minimum under certain circumstances, e.g., the expectation to receive more assets in the immediate future. C1S makes its services available to a wide range of clients including individuals, pension and profit sharing plans, trusts, estates, charitable organization and business entities.

***Item 6 - Portfolio Manager Selection and Evaluation***

**A. Third-Party Managers**

Third-party managers are not used in this wrap program. These services are provided by certain select representatives of C1S.

**B. Related Managers**

Only C1S Representatives act as portfolio managers. Because of their portfolio manager role, the incentives described in "Wrap Fee Incentives" above apply. Also, C1S Representatives providing management services may not have extensive experience in portfolio management, thus may not have a history of performance to match against other individuals and management firms. Thus, the Representatives providing advice are not subject to the same selection and review process that would occur if third-party managers were being evaluated. However, only Representatives having sufficient securities knowledge and customer advisory experience based upon the Chief Compliance Officer's judgment are allowed to provide management services within the Discretionary Investment Management service.

### *C. Business Information*

Advisory Business. See Item 4.A.

Performance Based Fees and Side-by-Side Management. C1S does not charge any performance-based fees. All fees are disclosed above.

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

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

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

C1S does not guarantee the results of the advice given. Thus, significant losses can occur by investing in any security, or by following any strategy, including those recommended or applied by C1S.

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

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

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

### ***Item 7 - Client Information Provided to Portfolio Managers***

Because third-party managers are not used in the program, no third-party manager will require information from a client. However, prior to account opening all new clients are asked for background information and are asked to complete an investment policy statement.

Mr. Tuma has not been involved in: (a) any arbitration claim alleging damages in excess of \$2,500 resulting in an award or been found liable, (b) any civil, self-regulatory organization, or administrative proceeding resulting in an award or otherwise been found liable, or (c) a bankruptcy petition.

### ***Item 8 - Client Contact With Portfolio Managers***

Clients are free to contact their C1S portfolio manager at any time.



## ***Item 9 - Additional Information***

### ***A. Disciplinary Information and Affiliations***

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

*Other Financial Industry Activities and Affiliations.* Besides being an investment advisory firm, C1S is also a securities broker-dealer and sells securities and insurance to clients. Approximately 10% of C1S Representatives time is spent on advisory services if the Representative is registered as a securities representative for C1S. Those Representatives who are not securities representatives spend 100% of their time providing advisory services.

C1S along with being both an investment adviser and broker-dealer is under common control with various other entities which may also offer insurance. See Item 10.

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

### ***B. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading***

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

*Review of Accounts and Reports.* Clients receiving Discretionary Investment Management services receive reports at least quarterly from their account's custodian. The client may receive a written performance report as often as is agreed upon between the client and C1S, but not more often than quarterly. To the extent a client receives any account or other investment ownership statement from C1S, C1S recommends the client carefully compare the report to the custodian's statements.

The client's portfolio is regularly reviewed by the client's C1S Representative as frequently as agreed upon by the client and the Representative, or more frequently if the Representative determines, to ensure the investments in the account are in line with the client's stated investment policy guidelines.

*Client Referrals and Other Compensation.* C1S does not currently have any client referral relationships. Thus, it does not pay any fee to a third party for making client referrals to it. Also, as indicated above, the firm does not direct brokerage transactions to any third party, including Pershing, in return for client referrals.

Clients should be aware that there is no direct link between Pershing and C1S in connection with the advice C1S gives to clients. C1S receives economic benefits through the custody and operating relationships it has with Pershing that are not typically available to retail investors. These benefits include the following products and services, provided to C1S without cost or at a discount: duplicate client statements and confirmations, research related products and tools, consulting services, access to a trading desk serving Representatives, access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares directly to or from client accounts), the ability to have advisory fees deducted directly from client accounts, access to an electronic communications network for client order entry and account information, access to mutual funds with no transaction fees, and discounts or no fees on compliance, marketing, research, technology, and practice management products and services provided by third-party vendors. Pershing may also pay for business consulting, professional services, and research received by C1S affiliated persons and may also pay or reimburse expenses (travel, lodging, meals, and entertainment expenses) for C1S personnel to attend conferences or meetings relating to their service platforms or to their advisor custody and brokerage services generally. Some of these products and services made available by Pershing, may benefit C1S, but may not benefit its clients. Such other services made available by Pershing are intended to help C1S manage and further develop its business enterprise, and such services may or may not depend on the amount of brokerage transactions directed to them.

Clients should be aware that the receipt of economic benefits by C1S from Pershing described above, in and of itself, creates a potential conflict of interest and may directly or indirectly influence C1S' recommendation of those service providers for custody and brokerage service.

Thus, the receipt of these services creates an incentive and conflict of interest for C1S when it recommends Pershing services.

Other than the services described above, C1S and its Representatives do not direct transactions and the commissions they generate (soft dollars) to brokerage firms or other parties to receive research or other benefits.

C1S and its Representatives are also licensed to offer securities and insurance products and will receive customary commissions for the sale of such products should a client decide to make purchases or sales through C1S and the Representatives which are not covered by the wrap fee. When selling these products, a conflict of interest exists. Both load and no-load funds may be recommended.

*Financial Information.* C1S does not receive fees of more than \$1,200 six months or more in advance, thus no financial statement for C1S is attached. C1S does not have any financial condition that is reasonably likely to impair its ability to meet its contracted commitment to any client.