

BECK CAPITAL MANAGEMENT LLC

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February 26, 2015

**FORM ADV PART 2
BROCHURE**

Replaces the Brochure version dated May 29th, 2014

We will provide you with an updated Brochure at any time, without charge. Our Brochure may be requested by contacting Bill Gregory, Chief Compliance Officer at 512-345-6789 X4 or bill@beckcapitalmanagement.com

This brochure provides information about the qualifications and business practices of Beck Capital Management LLC. If you have any questions about the contents of this brochure, please contact us at 512-345-6789. 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 Beck Capital Management LLC is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Beck Capital Management LLC is 152705.

Beck Capital Management LLC is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

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Advisory Business

Form ADV Part 2A, Item 4

Beck Capital Management LLC (referred hereinafter to as “Advisor”) offers personalized investment advisory services to clients. Advisor’s investment philosophy centers around a method called Sector Rotation. It begins with a macro-economic view of the world. As economies cycle, different sectors of those economies have distinct advantages, while others move from favor to disadvantage. Fortunately, these usually last for one to five years, so it is not a discipline which requires unusual amounts of trading.

Mr. James “Frank” Beck is Chief Investment Advisor and principal owner of Beck Capital Management LLC established as Capital Financial Group in 1997 and incorporated as Beck Capital Management LLC in 2009. Mr. Beck makes all of the portfolio investment decisions for Beck Capital Management, LLC’s client and advisor brokerage accounts. Mr. Beck’s education and business background is provided below:

Bachelor of Science – University of Texas, 1977

| | |
|---|-------------------|
| Beck Capital Management LLC, Managing Member | 12/2009 – Present |
| Partnervest Advisory Services LLC | |
| (Doing business under the name Capital Financial Group) | 07/2005 – 02/2010 |
| Frishberg, Jordan & Stewart Advisory Services LLC | 02/1998 – 07/2005 |
| JP Securities | 09/1997 – 08/1998 |
| MONY Securities | 05/1987 – 08/1997 |
| Computer Consultants Inc., President | 07/1983 – 04/1987 |

Advisor provides asset management services defined as giving continuous investment advice to a client and making investments for the client based on the individual needs of the client. Through this service, Advisor offers a highly customized and individualized investment program for clients. A specific asset allocation strategy and investment policy is crafted to focus on the specific client’s goals and objectives. Advisor typically constructs portfolios consisting of some or all of the following securities; equity securities, corporate debt securities, certificates of deposit, municipal securities, mutual funds, exchange traded funds, United States government securities, option contracts, publicly-registered non-traded REIT’s and publicly-registered non-traded Business Development Companies.

As part of its asset management services, Advisor provides clients with financial planning services that may be specific or modular in their preparation (unique to each client in their depth of preparation). Topics included as part of the financial planning services may include the following: organization and assessment, retirement planning, education planning, long-term care, insurance planning, debt management, investments, tax planning, estate planning, and life events.

Advisor does not charge a separate or additional fee for financial planning services provided as part of its asset management services. The scope of services provided and topics covered will be detailed in the client agreement for services.

Advisor offers a customized and individualized investment program for clients. A specific asset allocation strategy and investment policy is crafted to focus on the specific client’s cash flow needs and risk tolerance. The client may impose restrictions on investing in specific industries and/or securities. The client may also request that certain securities be purchased for their own account.

Advisor does not participate in wrap fee programs.

Advisory Business Continued.

The Advisor does manage client assets. As of February 26th, 2015 the Advisor's assets under management totaled the following:

Assets Under Management – approx. \$228,569,375 under discretionary authority. As of this date, the Advisor has approximately \$21.47 million in registered non-traded REIT's and registered non-traded BDC's held in some of the clients Fidelity accounts. These investments require signed subscription agreements. Frank Beck, Jerry McIlhon, Justin Simmons and JP Scott have fixed insurance contracts totaling about \$23 million (no variable contracts) with various insurance companies that some clients have purchased. Any transactions with the insurance companies require signatures from the client and will result in a commission to the agent. When discretionary authority is granted, Advisor will not need to contact the client prior to executing trades in a client brokerage account (with the exception of the alternative investments and insurance mentioned above)

Fees and Compensation

Form ADV Part 2A, Item 5

Asset Management Fees. Clients are charged for Advisor's asset management services based on a percentage of assets under management. Fees for advisor services generally do not exceed 1.80% annually on the value of the assets under management. Fees are negotiable based on factors such as, but not limited to, the number of accounts being managed, the amount of assets under management, the overall complexity of the client's financial situation or relations to other clients. Family and friends may have a lower fee or no fee. Clients that were on a prior fee schedule may have a lower fee than the current schedule. The following is the current fee schedule.

| Assets Under Management | | |
|-----------------------------|--------------|---------------|
| Household Accounts Total | (Annual Fee) | Quarterly fee |
| \$0 to \$250,000 | 1.80% | 0.45% |
| \$250,001 to \$500,000 | 1.50% | 0.375% |
| \$500,001 to \$1,000,000 | 1.20% | 0.30% |
| \$1,000,001 to \$5,000,000 | 1.00% | 0.25% |
| \$5,000,000 to \$10,000,000 | 0.85% | 0.2125% |
| Above \$10,000,000 | 0.75% | 0.1875% |

The exact services and fees will be agreed upon and disclosed in the agreement for services prior to services being provided. The annual fee is divided and billed quarterly in advance at the beginning of each calendar quarter and will be based on the amount of assets under management at the end of the previous calendar quarter.

Fees will be prorated based on the number of days that services are provided when the account is funded at anytime other than the beginning of a calendar quarter. Advisor prefers to have its advisory fees deducted directly from the client's account. In these cases, clients must provide the custodian (i.e. Fidelity) with written authorization (Included in the account application) to have fees deducted from the account and paid to Advisor. Upon discretion of Advisor, clients may pay fees directly to Advisor. For clients that pay directly, payment is due upon receipt of a billing statement from Advisor. The custodian "Fidelity" delivers monthly account statements to clients, which among other details, lists disbursements from the account, including the amount of the advisory fee when deducted directly from the account.

Fees and Compensation Continued.

Other Fees. Brokerage commissions and/or transaction ticket fees charged by the custodian will be billed directly to the client. Advisor will not receive any portion of such commissions or fees from the custodian or client. Though Advisor seldom recommends the following, it is important to note that in addition, clients may incur certain charges imposed by third parties other than the advisor in connection with investments made through the account, including but not limited to, mutual fund 12b-1 fees and surrender charges, and IRA and qualified retirement plan fees. Fees charged by Advisor are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to clients. A description of these fees and expenses are available in each investment company security's prospectus. When the advisor recommends an insurance product the advisor will receive a commission from the insurance company. Insurance products are not held in the brokerage accounts and are not charged a management fee. The insurance company issues a contract to the policy holder and the assets are held by the insurance company.

Termination. Either party may terminate the agreement for services at any time. If services are terminated within five (5) business days of executing the agreement, services will be terminated without penalty and a full refund of all fees paid in advance will be provided. If services are terminated by the Advisor after the initial five day period, Advisor shall provide the client with a pro-rated refund of any fees paid in advance. In the event a client terminates services, termination shall be effective from the time Advisor receives written notification or such other time as may be mutually agreed upon, subject to the settlement of transactions in progress, however the quarterly fee is deemed earned as the Advisor has done substantial work to construct a portfolio. There will be no penalty charged by Advisor upon termination. In the event Advisor terminates the relationship, the agreement will be terminated on the thirtieth (30) day after written notification is delivered to the client or such time as may be mutually agreed upon, also subject to the settlement of transactions in progress and a final refund of prorated advisory fees. The refund will be based on the number of days service was actually provided during the final billing period.

Neither Advisor nor any supervised persons accepts compensation for the sale of securities or other investment products, which may include asset-based sales charges or service fees from the sale of mutual funds.

Clients have the option to purchase investment products that Advisor recommends through other brokers or agents that are not affiliated with Advisor.

Advisor does not receive 50% or more of its revenue from commissions or other compensation for the sale of investment products Advisor recommends to its clients, including asset-based distribution fees from the sale of mutual funds.

Commissions or markups are not charged in addition to advisory fees. In the instance where a commission is involved the advisory fee is reduced to offset the commission.

Performance-Based Fees and Side-By-Side Management

Form ADV Part 2A, Item 6

Neither Advisor nor any of its supervised persons accepts performance based fees. Performance based fees are fees that are based on a share of the capital gains on or a capital appreciation of the assets of a client (such as a client that is a hedge fund or other pooled investment vehicle).

Types of Clients

Form ADV Part 2A, Item 7

The types of clients the Advisor generally provides investment advice to includes, but is not limited to, individuals, high net worth individuals, trusts, estates, charitable organizations, corporations or businesses.

Methods of Analysis, Investment Strategies and Risk of Loss

Form ADV Part 2A, Item 8

The Advisor may use some or all of the following methods of analysis: Fundamental, Technical, or Cyclical in formulating its investment strategies for giving investment advice or managing client assets. **Each client should be aware that securities investing involves risk of loss and should be prepared to bear any such loss of that investment.**

Advisor's investment philosophy centers around a method called Sector Rotation. The Advisor believes that as economies cycle, different sectors of those economies have distinct advantages, while others move from favor to disadvantage. Fortunately, these cycles usually last for one to five years, so it is not a discipline which requires unusual amounts of trading. Accounts are actively managed and taxation is heavily considered.

The Advisor does not recommend any one particular type of security in its underlying investment portfolio. Sector Rotation, instead, allows for a diversified portfolio which simply eliminates the sectors and economies which are currently at the highest perceived and/or statistical risk of decline, while focusing on those sectors with the highest probability of gain in the opinion of Advisor.

Of course, there are no guarantees that Sector Rotation will outperform other methods of investing. It is simply a strategy that Advisor believes is superior to other investment strategies

Disciplinary Information

Form ADV Part 2A, Item 9

J.P. Scott an advisor representative hired on February 6th 2015. His prior employer WFG Advisors retroactively terminated him for cause after he resigned. They claim he was "selling away". This is essentially trading specific prohibited securities without approval from the firm. Mr. Scott challenges this as a false termination and has legal proceedings in process to correct this.

There are no other legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management to disclose.

Other Financial Industry Activities and Affiliations

Form ADV Part 2A, Item 10

Neither Advisor nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker –dealer.

Neither Advisor nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Advisor has no related person relationship or arrangement that is material to its advisory business.

Advisor does not recommend or select other investment advisers for its clients.

Advisors may provide or suggest insurance products. Life insurance contracts are not billed a management fee because they are commissionable products. All premiums are held by the insurance company and will usually have limited liquidity for the first 5 to 10 years depending on the particular product. The insurance company will send statements to the client directly at least annually. Insurance products may be purchased elsewhere; there is no explicit or implicit obligation to purchase from BCM. When an insurance product is purchased through BCM, or any management persons the advisor representative will receive a commission.

Lew Spellman is on the board of directors for Public Service Employees Mutual Insurance Co. Justin Simmons is on the board of directors for the charity RBI Austin. JP Scott own the insurance business IWealth LLC, Jerry McIlhon owns an insurance business called Jerry McIlhon LLC and Melanie Johnson owns Divorce Financial Solutions.

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

Form ADV Part 2A, Item 11

Advisor is a SEC-registered adviser and is subject to a code of ethics pursuant to SEC Rule 204A-1.

Code of Ethics. Section 204A-1 of the *Investment Advisers Act of 1940* requires all investment advisers to establish, maintain and enforce a Code of Ethics. Advisor has established a Code of Ethics that will apply to all of its associated persons. An investment adviser is considered a fiduciary according to the *Investment Advisers Act of 1940*. 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. Advisor has a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle for the advisor's Code of Ethics which also covers its Insider Trading and Personal Securities Transactions Policies and Procedures. Advisor requires all of its 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 when changes occur, all supervised persons will sign an acknowledgement that they have read, understand and agree to comply with the advisor's Code of Ethics. Advisor has the responsibility to make sure that the interests of all clients are placed ahead of Advisor's or its supervised person's own investment interest. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to any services being conducted. Advisor and its 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 advisor's Code of Ethics. However, if a client or a potential client wishes to review advisor's Code of Ethics in its entirety, a copy will be provided promptly upon request.

All Advisor representatives are monitored and trained on an ongoing basis. Also, each advisor is required to annually acknowledge receipt of and attest to follow the BCM Code of Ethics.

Advisor does not recommend to clients, nor buys from or sells to client accounts, securities in a manner in which it or a related person would have a beneficial financial interest.

BCM and its supervised persons may buy or sell securities or hold a position in securities identical to the securities recommended to clients. It is BCM's policy that no supervised person will put his or her interest before a client's. Supervised persons may not trade ahead of any client in a way that would cause the supervised person to manipulate the price in order to get a better price than the client would obtain. In addition, in accordance with its fiduciary duty to clients, Advisor and its associated persons will place client interests ahead of their own interests.

Brokerage Practices

Form ADV Part 2A, Item 12

Advisor currently selects Fidelity Investments to custody its client assets. Advisor does not recommend other broker-dealers for client transactions. Fidelity and other available brokerage alternatives are reviewed quarterly to ensure quality trade execution and delivery of statements. Fidelity may not be the lowest cost available for trades, however based on other factors including trade execution, overall cost, online access and client service Advisor currently believes Fidelity is the best choice.

Advisor does not receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions. These practices are known as "soft dollar benefits".

However, advisor may accept a flight or hotel room from a company that is holding a due diligence meeting or offering a chance to meet the managers of the particular investment. The flight and or hotel will in no way effect the decision as to whether the particular investment will be used. The decision will always be made on the merits of the investment. However this situation is considered a possible conflict of interest and must be disclosed as such.

Advisor does not select or recommend broker-dealers in exchange for brokerage client referrals.

Advisor does not accept directed brokerage instructions for any of its client accounts.

Advisor may aggregate the purchase or sale of securities for various client accounts when the number of accounts involved is large. The Advisor will create an allocation spreadsheet that will determine the total number of shares needed based on client needs, shares owned, cash available or other conditions. The orders are placed throughout the day usually. Occasionally if volumes are very high and the market can absorb the order the Advisor will place a single or very few block orders. After all of the shares are purchased or sold the allocation is submitted to Fidelity and the shares are divided between the accounts accordingly. On rare occasions block orders may not be completely filled. Unfinished block trades will be allocated to a partial list of accounts to avoid having two or more trades and trade charges in the same security over a short time. Which accounts are allocated is determined alphabetically, sometimes starting with A, sometimes with Z and sometimes in the middle. All client accounts will get the average price of the order.

When a small number of accounts are involved in a purchase or sale the advisor will usually place the trades one at a time, from each client account. When the volume is high market orders are used. If the volume is low limit orders are generally used. Usually new clients and clients with cash needs are more often traded this way. There is no extra cost to the client if the trades are aggregated or traded individually.

BCM may engage in cross trades when it is deemed to be in the best interest of the client. A cross trade occurs when a transaction is implemented between two different clients, both of which are managed by BCM. These types of cross transactions will only be used when it can be determined that doing so would achieve "best execution" and benefit the clients involved by saving commissions, market impact costs, and other transaction charges.

Cross trades will not be performed if an account is subject to ERISA since it is virtually prohibited. In addition, if a client account managed by BCM is deemed to hold “plan assets” cross trades will be prohibited regardless of whether the other side to the transaction is subject to ERISA.

Review of Accounts

Form ADV Part 2A, Item 13

Account reviews are provided in connection with asset management accounts. For clients participating in this program, one of the Advisor’s representatives will contact clients at least annually for the purpose of reviewing their account and to determine if there have been changes in their financial situation or investment objectives. The calendar is the main triggering factor, although more frequent reviews may also be triggered by changes in the client’s circumstances, client request, or changes within the market. The underlying investments held in client accounts are reviewed on a more frequent basis. Portfolios are usually reviewed as frequently as weekly, and not less than monthly. Triggering factors for changes to underlying portfolios include the relative valuation changes between asset classes, valuation of the individual security, or economic or political changes that change the perceived risk/reward ratio of a sector or sub-sector of the global or national economy.

Stand-alone financial planning services terminate upon completion of such services and full payment of all fees due. Therefore, no reviews are conducted for these clients. If clients elect to have a review and update to an original consultation, additional fees may be charged and clients may be required to sign a new client agreement.

Client investment portfolios are reviewed on an on-going basis. For financial plans, client request is the main triggering factor, although more frequent reviews may also be triggered by changes in the client’s circumstances, the calendar, or changes within the market.

Clients receive account statements directly from the custodian (usually Fidelity Investments). Statements will be delivered monthly. Statements for insurance products are usually delivered quarterly or annually depending on the particular product. In addition, Advisor may provide newsletters covering general financial planning and investment topics, explaining current views of the global economies and factors driving investment decisions.

Clients Referrals and Other Compensation

Form ADV Part 2A, Item 14

Advisor does not have someone who is not a client that provides an economic benefit to Advisor for providing investment advice or other advisory services to its clients.

Keith Schnelle is a solicitor for Beck Capital Management, LLC. Advisor compensates Mr. Schnelle for solicited referrals. If a person Keith refers becomes a client Keith will receive a portion of that client’s quarterly billed fee. There is no extra cost to the client whether they are referred by Keith or not.

Custody

Form ADV Part 2A, Item 15

Advisor does not have custody of client funds or securities. Rather, client funds or securities are held by Fidelity Investments, a qualified custodian, who sends monthly account statements directly to advisory clients.

Advisor does not send statements to its clients.

Investment Discretion

Form ADV Part 2A, Item 16

Upon receiving written authorization from the client, Advisor provides discretionary investment advisory services for client accounts. Advisor's discretionary authority will be granted by the client in the client agreement. When discretionary authority is granted, it is limited in that Advisor will only be given discretionary trading authority. This authority will allow Advisor to determine the type of securities and the amount of securities that can be bought or sold for the client portfolio without obtaining the client's consent for each transaction.

Voting Client Securities

Form ADV Part 2A, Item 17

Advisor does not perform proxy-voting services on a client's behalf. Clients are instructed to read through the information provided with the proxy-voting documents and to make a determination based on the information provided. Upon request from the client, Advisor may provide limited clarifications of the issues presented in the proxy voting materials based on Advisor's understanding of issues presented in the proxy-voting materials. However, the client will have the ultimate responsibility for making all proxy-voting decisions.

Clients will receive their proxies or other solicitations directly from their custodian or transfer agent.

Financial Information

Form ADV Part 2A, Item 18

Advisor does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

Advisor does have discretionary authority but does not custody client funds or securities. There are no conditions that are reasonably likely to impair Advisor's ability to meet its contractual commitments to its clients.

Advisor and any of its related persons has not been the subject of a bankruptcy petition at any time during the past ten years.