



**CENTURY  
ADVISORY  
SERVICES –  
FINANCIAL  
PLANNING**

**SEC Number: 801-43561**

**DISCLOSURE BROCHURE**

**January 2014**

This Brochure provides information about the qualifications and business practices of Century Securities Associates, Inc. This Brochure focuses on our financial planning services; we also offer advisory consulting services and wrap fee programs, each of which is covered in a separate brochure. If you have any questions about the contents of this Brochure, please contact us at the address or telephone number provided below. 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 Century Securities Associates, Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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**January 2014**

### **MATERIAL CHANGES**

Since Century Securities Associates, Inc.'s last update on March 31, 2012, the firm has experienced the following change which may be considered material:

- On January 9, 2014 Century entered into an Acceptance, Waiver and Consent with FINRA to settle allegations that, among other things, (i) the firm allowed certain of its registered representatives to recommend nontraditional ETFs to customers without such representatives conducting adequate due diligence on the recommended products, (ii) the firm did not provide adequate formal training to its representatives or their supervisors regarding nontraditional ETFs before permitting such persons to recommend or supervise the sale of nontraditional ETFs to customers, and (iii) the firm failed to establish and maintain a supervisory system of controls, including written procedures, specifically tailored to address the unique features and risks associated with nontraditional ETFs, or one that was reasonably designed to ensure that the sale of such nontraditional ETFs complied with applicable securities laws and regulations. The firm consented to a regulatory censure, a fine of \$100,000 and restitution to the 6 affected customers in the amount of \$136,485. More details about the settlement agreement are provided under the section "Additional Information – Disciplinary Information," starting on page 5 of the Brochure.
- Effective February 15, 2013, our parent company, Stifel Financial Corp., acquired Keefe, Bruyette & Woods (KBW), a full service boutique investment bank and registered broker-dealer specializing in the financial services sector. Our Financial Advisors may use research produced by KBW in connection with the services provided to clients.



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## EXECUTIVE SUMMARY

### About Century Securities Associates, Inc.

Century Securities Associates, Inc. ("Century") is a wholly owned subsidiary and affiliated brokerage and investment advisory ("Advisory") firm of Stifel Financial Corp. Century's business purposes is to serve the investment needs of individual, corporate, institutional, and municipal clients. Century is a member of the Financial Industry Regulatory Authority ("FINRA"), the New York, American, Chicago, Philadelphia, and Chicago Board Options Exchanges, and the Securities Investor Protection Corporation ("SIPC"). Century is a registered investment adviser ("Investment Adviser") with the Securities and Exchange Commission ("SEC"); however, this does not imply a certain level of skill or training. Information about Century's qualifications, business practices, portfolio management techniques, and affiliates is accessible via publicly available filings with the SEC at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) and in this Brochure, which is provided free of charge before or at the time we enter into an advisory agreement with you and annually thereafter.

### Services We Provide

As set forth above, Century is registered both as a broker dealer and an investment adviser and, thus offers both brokerage and Advisory services to clients. For more information about our brokerage business, please refer to the Brokerage Practices section of this brochure. ***It is important to understand that brokerage services are separate and distinct from Advisory services, and that each is governed by different laws and separate contracts with clients. While there are similarities among brokerage and Advisory services, the firm's contractual relationship with and legal duties to clients are subject to a number of important differences depending on whether Century is acting in a brokerage or Advisory capacity.***

### Our Relationship with Stifel Nicolaus

Stifel, Nicolaus & Company, Incorporated ("Stifel") supports the Advisory services described herein by providing access to Stifel research and Advisory programs, execution of Client transactions, and, in most cases, custody of Client assets. Stifel may, either itself or through an affiliate, act as a general partner to investment partnerships. These investment partnerships may be offered to brokerage Clients, some of whom may also be Advisory Clients. Solicitation activities are typically made via an offering circular or prospectus and may only be made to Clients for whom the partnership interests are deemed suitable. Partnership interests are not held in Advisory portfolios.

## OUR SERVICES AS AN INVESTMENT ADVISER

Century has been a registered investment adviser with the SEC since March 19, 1993. Our firm is owned by Stifel Financial Corp., which is a publicly held company. Our Advisory services include discretionary account and/or portfolio management, non-discretionary investment advice, financial planning services, and assistance with the selection of securities and third party investment advisors. Such advisers may include firms that are independent of our firm as well as firms that are owned by Stifel Financial Corp. We generally enter into written agreements with Clients acknowledging our Advisory relationship and disclosing our obligations when acting in an Advisory capacity. We provide Advisory services to individuals, corporations, institutions, pension or profit

sharing plans, employee benefit plans, trusts, estates charitable organizations, other business and government entities, educational institutions, and banks or thrift institutions ("Clients"). We generally provide Advisory services through our registered investment advisory representatives ("Financial Advisors") who determine the services that are most appropriate for Clients based on each Client's individual investment goals and financial circumstances. We may fulfill a Client's wealth management needs by acting as broker dealer, investment adviser, or both. Our Advisory services cover most types of debt and equity or equity-related securities of domestic and foreign companies as well as national and local government issuers, both that are exchange-listed and over-the-counter. We may also invest Client assets in rights and warrants, securities, options, certificates of deposit, variable annuities, variable life insurance open and closed-end funds, exchange-traded funds ("ETFs"), unit investment trusts ("UITs"), real estate investment trusts ("REITs"), American Depositary Receipts ("ADRs"), foreign ordinary shares, and publicly traded master limited partnerships and other securities. Subject to review for reasonableness, Clients may impose restrictions on investing in certain securities or types of securities. More information regarding any securities and/or services offered is available upon request. Our financial & wealth planning services are described in more detail below.

### Financial Planning Program

Financial Advisors may provide Clients with personalized financial plans. At the beginning of the financial planning process, Clients are asked to complete a questionnaire that is used to gather information about individual financial situations, investment objectives, and risk tolerance. Based on the information provided, a comprehensive financial plan ("Stifel Nicolaus Wealth Strategist Report®") is generated. The Wealth Strategist Report may include a net worth overview; income needs analyses, portfolio and asset allocation reviews, goal funding assessments, and general information on estate planning concepts, in each case as negotiated between the Client and the Financial Advisor. The Wealth Strategist Report may be prepared directly by the applicable Financial Advisor, or may be prepared by the Financial Planning Department on behalf of Financial Advisors. The Wealth Strategist Report is used to assist Clients in assessing their individual financial goals. Financial plans provided may or may not include specific investment recommendations. Clients may choose to implement their financial plans with us or elsewhere. Clients who implement such recommendations with us are required to enter into an Advisory agreement, and have access to a broad portfolio of insurance and investment products. In limited, pre-approved situations, we have allowed Financial Advisors of Executive Tax Advisors, a wholly owned subsidiary of Stifel, to provide tax services in conjunction with financial planning services. Tax services are charged separately from financial planning services. Such services include tax strategies, income tax preparation, as well as assistance with audits conducted by state and federal departments of revenue.

### Other Investment Advisory Services

As set forth above, we provide other investment advisory services to Clients in addition to financial planning, including discretionary account and/or portfolio management, non-discretionary investment advice, and assistance with selecting

third party investment advisers. A complete description of these other services is contained in our Consulting Services Disclosure Brochure and/or our Wrap Program Disclosure Brochure, each of which is available upon request. We act as sponsor and/or portfolio manager to our wrap program participants. We generally manage all wrap fee accounts and non-wrap fee accounts using the same level of care. Our Investment Consulting Services and Wrap Fee Program Services are collectively referred to in this Brochure as “Advisory Services”.

#### **Assets Under Management**

As of December 31, 2012, we managed Client assets worth \$71,794,064.36 on a discretionary basis, and \$224,270,387 on a non-discretionary basis. We also advised clients with respect to an additional \$1,075,182.55 managed by unaffiliated investment advisers.

### **FEES AND COMPENSATION**

#### **How We Charge for Financial Planning Services**

Clients who receive financial planning services may be charged a flat fee up to \$10,000. The actual fee charged will be as negotiated between the Client and the Financial Advisor. A portion of the financial planning fee is paid to Financial Advisor(s) who prepared the financial plan. Clients may pay using any one of the following payment methods:

##### ***Client Invoice***

Financial planning clients generally receive invoices to remit the fee payment promptly. If the fee payment is not received, we reserve the right to automatically debit the Client’s Advisory account (if any) to collect the amount due.

##### ***Automatic Debit***

To the extent that a Client retains Century to implement a financial plan, financial planning fees (if any) may be deducted from available cash or cash equivalents including money market funds in the Client’s Advisory account. Clients that retain Century to implement plans typically grant us the discretionary authority to rebalance or liquidate securities in order to generate sufficient funds to cover fees. Client statements reflect the fee payment amount.

##### ***Letter of Authorization***

To the extent that a Client determines to retain Century to implement a financial plan, the Client may establish a separate Century account from which fees will be deducted. If the designated account has insufficient funds, we reserve the right to automatically debit the Advisory account to collect the amount due.

#### **Additional Information Relating to Financial Planning Fees**

To the extent that a financial plan includes specific investment recommendations, Clients should consider all risks and related charges prior to any investments. As set forth above, financial planning Clients are not obligated to implement their financial plans with us, and may design to implement such plans through other unaffiliated financial services companies.

### **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Century does not charge performance-based fees.

### **TYPES OF CLIENTS**

Please refer to the Executive Summary for a description of the types of clients to whom we generally provide investment advice, including financial planning services. There is no minimum account size or minimum fee requirements for financial planning services.

### **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

Our personnel use data and projections provided by industry software, as well as proprietary programs and processes to conduct determine appropriate asset allocations and otherwise complete the financial planning process. Each client’s specific circumstances, including, for example, liquidity needs and risk tolerance, are incorporated into the process to determine the appropriate recommendations to be made as part of the financial plan.

Our personnel make a number of assumptions during the financial planning process. These assumptions may turn out to be wrong and, as a result, a Client’s returns may be less than anticipated. To the extent that a financial plan includes specific investment recommendations, each investment recommended will be subject to various risks, including the risk that the investment’s value will decline because of downturns in the general securities markets. Clients should consider each investment’s risks and expenses carefully before implementing any financial plan.

Clients should refer to the Advisory Consulting Services Brochure and/or the Wrap Fee Program Brochure for a more detailed discussion of our investment strategies and methods of analysis in connection with Advisory Services.

### **DISCIPLINARY INFORMATION**

1. On January 9, 2014 Century entered into an Acceptance, Waiver and Consent with FINRA to settle allegations that, among other things, (i) the firm allowed certain of its registered representatives to recommend nontraditional ETFs to customers without such representatives conducting adequate due diligence on the recommended products, (ii) the firm did not provide adequate formal training to its representatives or their supervisors regarding nontraditional ETFs before permitting such persons to recommend or supervise the sale of nontraditional ETFs to customers, and (iii) the firm failed to establish and maintain a supervisory system of controls, including written procedures, specifically tailored to address the unique features and risks associated with nontraditional ETFs, or one that was reasonably designed to ensure that the sale of such nontraditional ETFs complied with applicable securities laws and regulations. The firm consented to a regulatory censure, a fine of \$100,000 and restitution to the 6 affected customers in the amount of \$136,485.

2. On March 27, 2003, Century entered into an agreement of acceptance, waiver and consent with the National Association of Securities Dealers (NASD) resolving NASD’s claim that the firm failed to comply with NASD rules relating to advertisements, including pre-filing and content requirements. While not

admitting or denying the allegations, the firm agreed to a regulatory censure and to pay a fine of \$10,000.

## OTHER INDUSTRY ACTIVITIES AND AFFILIATIONS

As set forth above, our firm is dual registered as an Investment Adviser and a broker-dealer, and is also a licensed insurance agency with various states. We have a number of affiliates that are registered as investment advisers or broker dealers (or both). In addition, to being registered representatives of our firm, some of our management persons may be registered representatives of our affiliated broker dealers. One of our Affiliated Advisers serves as fund manager to a registered investment company (mutual fund). None of these affiliates provide services to our financial planning Clients. Some of our management persons may be licensed to practice law in various states. However, neither these individuals nor Century provide legal services to financial planning Clients.

Clients should refer to the Advisory Consulting Services Brochure and/or the Wrap Fee Program Brochure for a more detailed discussion of the firm's other industry activities and affiliations that are applicable to our Advisory Services.

## CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

### Code of Ethics

In addition to our general Financial Code of Ethics which is applicable to all Century personnel, our Advisory personnel are also subject to our firm's Investment Advisory Code of Ethics. A copy of the Advisory Code of Ethics is available to any Client upon request. Set forth in the Advisory Code of Ethics are standards reasonably designed to promote honest and ethical conduct, comply with federal securities laws and governmental rules and regulations, maintain privacy of Client information, protect access to nonpublic information, and encourage associates to report any known violations. Such standards include placing Client interests first, avoiding any material or potential conflicts of interest, and ensuring that personal securities transactions are conducted appropriately. Compliance reviews the Code of Ethics annually to ensure adequacy and effectiveness in complying with applicable regulations.

### Participation or Interest in Client Transactions

We generally do not participate in financial planning Client transactions. Clients should refer to the Advisory Consulting Services Brochure and/or Wrap Fee Program for more detailed discussion of our participation or interest in Advisory Client transactions.

### Personal Trading

Century's written supervisory procedures detect and prevent the misuse of material, non-public information by employees. Century and its affiliates, directors, officers, stockholders, employees and members of their families may have positions in and, from time to time, buy or sell securities that we trade in or recommends to Advisory Clients. Our employees and affiliates may invest in any Advisory Program covered in this Brochure. Our policies prohibit transactions our own account and accounts of associated persons in any security that is the subject of a recommendation of Stifel's Research Department until the recommendation has been disseminated to Clients and a reasonable time has elapsed following the dissemination. Our directors, officers and employees may not buy or sell securities for their personal accounts if the decision to do so is substantially derived, in whole or in part, by reason of their employment, unless the information is also available to the investing public or through reasonable inquiry. We maintain and regularly review

securities holdings in own account and accounts of persons who may have access to Advisory recommendations. Our firm emphasizes the unrestricted right of the Client to decline to implement any advice rendered. Additionally, under NYSE Rules, Financial Advisors affiliated with Stifel Financial Corp. ("SF") are prohibited from recommending SF securities except on an unsolicited basis.

## BROKERAGE PRACTICES

Century's principal business in terms of revenue and personnel is that of a securities broker-dealer. As a broker-dealer, we provide brokerage services by executing securities transactions per Client instructions. Advice provided to Clients is an integral part of services offered by Financial Advisors when providing brokerage services; therefore, Financial Advisors may help Clients identify investment goals, create strategies that are reasonably designed to meet those goals, and make suitable buy, hold, and sell recommendations based on risk tolerance and financial circumstances. However, investment decisions are not made on behalf of Clients and fees are not charged for any advice given when providing brokerage services. ***Absent special circumstances, Financial Advisors are not held to fiduciary standards when providing brokerage services.*** Legal obligations to disclose detailed information about the nature and scope of Century's business, personnel, commissions charged, material or potential conflicts of interests, and other matters, are limited when acting as a broker-dealer.

### Our Responsibilities as a Broker-Dealer

As a broker-dealer, we are held to the legal standards of the Securities Act of 1933, the Securities Exchange Act of 1934, FINRA rules, and state laws where applicable. Such standards include fair dealings with Clients, reasonable and fair execution prices in light of prevailing market conditions, reasonable commissions and other charges, and reasonable basis for believing that securities recommendations are suitable.

### How We Charge for Brokerage Services

Clients pay commissions each time securities transactions are executed in their individual brokerage accounts.

**Broker** – Century acts as broker when executing securities transactions on behalf of Clients. Commissions are charged on each transaction.

**Dealer** – Century acts as dealer, or principal, when executing securities transactions for our firm's own account. As dealer, Century operates on the opposite side of Client transactions by using its own inventory to buy securities from or sell securities to Clients. When executing dealer, or principal, trades, Century seeks to earn profits and therefore charges mark-ups, mark-downs, or spreads on the prices of securities in addition to regular commissions.

### Application of Brokerage Services to Financial Planning Clients

Century generally does not recommend or select specific brokers to clients seeking financial and wealth planning services only. To the extent that a financial and wealth planning Client determines to implement a financial plan through our firm, the Client will be required to enter into a separate agreement with

Century covering the Advisory Services to be provided. Clients should refer to the Advisory Consulting Services Brochure for a more detailed discussion of our brokerage practices with respect to Advisory Services.

## **REVIEW OF ACCOUNTS**

Our personnel review accounts upon account opening. If a financial planning Client elects to implement a financial plan through our firm, the applicable Financial Advisor may periodically review and update the financial plan based on changes in the Client's circumstances. Clients should refer to our Advisory Consulting Services Brochure for more detailed discussion of our review policies with respect to Advisory Clients.

### **Privacy Policy**

Financial planning clients receive our firm's privacy policy upon account opening and annually thereafter.

## **CLIENT REFERRALS AND OTHER COMPENSATION**

### **Stifel Alliance Program**

Under the Stifel Alliance Program ("Alliance"), we may directly or indirectly compensate individuals or companies for Client referrals by sharing a portion of the fees charged by us. We may pay for registration costs for Advisory Client referrals. As a result, such solicitors may have incentive to refer Clients to us over other firms. We have policies and procedures to ensure that proper disclosures are provided to Clients at the time of solicitation and that all Clients sign appropriate disclosure delivery receipts.

### **Other Referral Arrangements**

From time to time, our Financial Advisors may recommend other registered investment advisers to financial and wealth planning Clients, and may be compensated by such other advisers for the referrals to the extent that financial and wealth planning Clients implement those recommendations. To the extent applicable, any compensation received from such other advisers is based on a percentage of the total fees paid by a financial and wealth planning Client to the other adviser for the period of time that the Client remains with the other adviser. As of the date of this Brochure, our firm did not have any compensatory solicitation arrangements with any of our affiliated investment advisory firms. However, our Financial Advisors may nevertheless have incentive to recommend an affiliated investment adviser over an independent adviser as the receipt of additional revenues by any of the Stifel-affiliated companies may have a positive impact on our firm.

In general, we require that applicable arrangements comply with regulatory requirements applicable to soliciting arrangements, including, but not limited to, disclosures to Clients about the referral arrangement as well as any fees received (or paid) in connection with such referral at the time of the referral or execution of the Client agreement.

## **CUSTODY**

Century does not maintain custody of financial planning only client's assets; however, the firm generally maintains custody of Advisory Client assets. Clients should refer to the Advisory Consulting Services Brochure and/or Wrap Fee Program for more detailed discussion of our firm's custodial practices.

## **INVESTMENT DISCRETION**

Century does not exercise investment discretion with respect to financial planning Client accounts. Each financial planning Client is responsible for implementing the recommendations provided in a financial plan, and may elect to implement such recommendations at Century or at an unaffiliated financial services company.

## **VOTING CLIENT SECURITIES**

Century does not accept proxy voting authority from financial planning Clients. To the extent that elects to implement a financial plan through us, we may accept proxy voting responsibility depending on the type of Advisory Services provided. Clients should refer to the Advisory Consulting Services Brochure for more detailed discussion of our proxy voting policies with respect to Advisory Clients.

## **FINANCIAL INFORMATION**

We do not have any adverse financial conditions to disclose.