

FORM ADV Uniform Application for Investment Adviser Registration
Part II - Page 1

OMB APPROVAL	
OMB Number:	3235-0049
Expires:	February 28, 2011
Estimated average burden hours per response.....	4.07

Name of Investment Adviser: Brookstone Capital Management LLC	
Address: (Number and Street) (City) (State) (Zip Code) 1751 S. Naperville Road, Suite 208 Wheaton, IL 60178	Area Code: Telephone Number: (630) 653-1400

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any governmental authority.**

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

FORM ADV
Part II- Page 2

Applicant:
Brookstone Capital
Management LLC

SEC File Number:
801-68010

Date:
01/12/10

1. A. Advisory Services and Fees. (check the applicable boxes)

For each type of service provided, state the approximate
% of total advisory billings from that service.
(See instructions below.)

Applicant:

- | | | | |
|-------------------------------------|---|-----|---|
| <input checked="" type="checkbox"/> | (1) Provides investment supervisory services..... | 100 | % |
| <input type="checkbox"/> | (2) Manages investment advisory accounts not involving investment supervisory services..... | | % |
| <input type="checkbox"/> | (3) Furnishes investment advice through consultations not included in either service described above..... | | % |
| <input type="checkbox"/> | (4) Issues periodicals about securities by subscription..... | | % |
| <input type="checkbox"/> | (5) Issues special reports about securities not included in any service described above..... | | % |
| <input type="checkbox"/> | (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which
clients may use to evaluate securities..... | | % |
| <input type="checkbox"/> | (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities..... | | % |
| <input type="checkbox"/> | (8) Provides a timing service..... | | % |
| <input type="checkbox"/> | (9) Furnishes advice about securities in any manner not described above..... | | % |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide
estimates of advisory billings for that year and state that the percentages are estimates.)

- | | | |
|---|-------------------------------------|--------------------------|
| | Yes | No |
| B. Does applicant call any of the services it checked above financial planning or some similar term?..... | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

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

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

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

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

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

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Applicant:
Brookstone Capital
Management LLC

SEC File Number:
801-68010

Date:
01/12/10

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

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

4. Methods of Analysis, Sources of Information, and Investment Strategies.

A. Applicant's security analysis methods include: (check those that apply)

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

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

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

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

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

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Applicant:
Brookstone Capital
Management LLC

SEC File Number:
801-68010

Date:
01/12/10

5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients?.....

Yes ☒ No ☐

(If yes, describe these standards on Schedule F.)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- year of birth
- formal education after high school
- business background for the preceding five years

7. Other Business Activities. (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☒ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- | | |
|--|--|
| <input type="checkbox"/> (1) broker-dealer | <input type="checkbox"/> (7) accounting firm |
| <input type="checkbox"/> (2) investment company | <input checked="" type="checkbox"/> (8) law firm |
| <input type="checkbox"/> (3) other investment adviser | <input checked="" type="checkbox"/> (9) insurance company or agency |
| <input type="checkbox"/> (4) financial planning firm | <input type="checkbox"/> (10) pension consultant |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer |
| <input type="checkbox"/> (6) banking or thrift institution | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?.....

Yes ☐ No ☒

(If yes, describe on Schedule F the partnerships and what they invest in.)

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Applicant:
Brookstone Capital
Management LLC

SEC File Number:
801-68010

Date:
01/12/10

9. Participation or Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☒ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosure are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account?.....

Yes No
☒ ☐

(If yes, describe on Schedule F.)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

See Description on Schedule F

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

See Description on Schedule F

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Applicant:
Brookstone Capital
Management LLC

SEC File Number:
801-68010

Date:
01/12/10

12. Investment or Brokerage Discretion.

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- | | | |
|---|--|---|
| (1) securities to be bought or sold?..... | Yes
<input checked="" type="checkbox"/> | No
<input type="checkbox"/> |
| (2) amount of the securities to be bought or sold?..... | Yes
<input checked="" type="checkbox"/> | No
<input type="checkbox"/> |
| (3) broker or dealer to be used?..... | Yes
<input type="checkbox"/> | No
<input checked="" type="checkbox"/> |
| (4) commission rates paid?..... | Yes
<input type="checkbox"/> | No
<input checked="" type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients?.....

Yes
☒ No
☐

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- | | | |
|--|--|--------------------------------|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients?..... | Yes
<input checked="" type="checkbox"/> | No
<input type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals?..... | Yes
<input checked="" type="checkbox"/> | No
<input type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities; or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet?.....

Yes
☐ No
☒

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant: Brookstone Capital Management LLC	SEC File Number: 801-68010	Date: 01/12/10
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Brookstone Capital Management LLC	IRS Empl. Ident. No.: 20-5073624
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Item of Form (identify)	Answer																				
	<p style="text-align: center;"><u>Advisory Services and Fees</u></p>																				
1. A (1)	<p><u>Advisory Services:</u> Brookstone Capital Management LLC's ("FIRM") principal service is providing fee-based investment advisory services. The advisor practices management of portfolios, on a discretionary basis, according to the client's objectives. The advisor uses mutual funds, exchange traded funds, unit investment trusts, real estate investment trusts, and options in securities to accomplish this objective. The advisor's primary approach is to use a tactical allocation strategy aimed at reducing risk and increasing performance. A client's portfolio is allocated according to the client's risk profile. The advisor measures and selects mutual funds based on length and verifiability of track record, the fund manager's tenure and/or overall career performance, the fund management continuity, investment philosophy and process, fund expenses, and other factors believed to effect fund performance. The advisor may recommend, on occasion, redistributing investment allocations to diversify the portfolio in an effort to reduce risk and increase performance. The advisor may recommend specific investments to increase sector weighting and/or dividend potential. The advisor may recommend employing cash positions as a possible hedge against market movement which may adversely affect the portfolio. The advisor may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position(s) in the portfolio, change in risk tolerance of client, or any risk deemed unacceptable for the client's risk tolerance.</p> <p>The Adviser may also offer educational seminars for a fee. In these limited cases, the fees are set at the onset of the seminar service. Finally, the Adviser provides Financial Planning services as further described below.</p>																				
1. D	<p><u>Asset Management Fees:</u> Pursuant to an investment advisory contract signed by each client, the client will pay Brookstone Capital Management LLC a quarterly Management Fee, payable in arrears, based on the amount of the assets to be managed by the advisor as of the opening of business on the first business day of each quarter.</p> <table><tr><th>Asset Valuation</th><th>Investment Advisory Fee</th><th>Investment Consultant Fee</th><th>Total Fee</th></tr><tr><td>\$50,000 - \$500,000</td><td>0.8%</td><td>1%</td><td>1.80%</td></tr><tr><td>Next \$500,000</td><td>0.70%</td><td>0.90%</td><td>1.60%</td></tr><tr><td>Next \$1,000,000</td><td>0.50%</td><td>0.75%</td><td>1.25%</td></tr><tr><td>Next \$3,000,000</td><td>0.40%</td><td>0.50%</td><td>0.9%</td></tr></table>	Asset Valuation	Investment Advisory Fee	Investment Consultant Fee	Total Fee	\$50,000 - \$500,000	0.8%	1%	1.80%	Next \$500,000	0.70%	0.90%	1.60%	Next \$1,000,000	0.50%	0.75%	1.25%	Next \$3,000,000	0.40%	0.50%	0.9%
Asset Valuation	Investment Advisory Fee	Investment Consultant Fee	Total Fee																		
\$50,000 - \$500,000	0.8%	1%	1.80%																		
Next \$500,000	0.70%	0.90%	1.60%																		
Next \$1,000,000	0.50%	0.75%	1.25%																		
Next \$3,000,000	0.40%	0.50%	0.9%																		

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant: Brookstone Capital Management LLC	SEC File Number: 801-68010	Date: 01/12/10
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Brookstone Capital Management LLC	IRS Empl. Ident. No.: 20-5073624
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Item of Form (identify)	Answer																																		
1. D Continued	<p>Brookstone also offers the 'Brookstone Bond Asset Allocation Program'. This program is designed to allocate Client's assets among Funds selected by Brookstone based on buy and sell signals provided by BTS Asset Management, an unaffiliated third-party timing service. The number of Funds selected and the allocation percentages shall be determined by Brookstone Capital Management. Client understands that the purpose of the program is to attempt to provide downside protection in a falling market and appreciation possibilities in a rising market, by exchanging investments in the Funds selected by BCM upon buy and sell signals provided by BTS Asset Management. The Bond Asset Allocation Program will utilize a defensive (money market) fund and 2 aggressive (government and high yield) funds. Using buy and sell signals, BCM will attempt to allocate assets to the bond sector producing the highest current return when bond prices are rising, or conversely to preserve capital by moving to the money market fund if bonds sectors are declining. Client provides Brookstone with discretionary authority to affect exchanges in accordance with the receipt of BTS's buy and sell signals.</p> <p>Clients who participate in the 'Brookstone Bond Asset Allocation Program' pay a quarterly management fee, payable in arrears, based on the amount of the assets to be managed by the advisor in the program as of the opening of business on the first business day of each quarter.</p> <table><tr><th>Assets Under Management</th><th>Management Fee</th><th>Representative Fee</th></tr><tr><td>First \$100,000</td><td>1.25%</td><td rowspan="5">1.5% maximum fee</td></tr><tr><td>Next \$100,000 - \$249,999</td><td>1.00%</td></tr><tr><td>Next \$250,000 - \$499,999</td><td>0.75%</td></tr><tr><td>Next \$500,000 - \$999,999</td><td>0.50%</td></tr><tr><td>Next 1 million +</td><td>0.40%</td></tr></table> <p>Finally, the firm offers a 'Laddered Bond & CD Portfolio'. This model is made up of individual bonds or CD's. The Bond Portfolio holds only individual investment grade corporate bonds, municipal bonds and CDs. The Bond Portfolio will be laddered. Laddering is a portfolio management strategy for fixed income whereby multiple bonds and or CDs are purchased, each with different maturity dates. Fees for the program, billed quarterly in arrears, are as follows:</p> <table><tr><th>Asset Valuation</th><th>Investment Advisory Fee</th><th>Referring Investment Consultant Fee</th><th>Total Fee</th></tr><tr><td>\$50,000 - \$500,000</td><td>0.40%</td><td>1%</td><td>1.40%</td></tr><tr><td>Next \$500,000</td><td>0.40%</td><td>0.90%</td><td>1.30%</td></tr><tr><td>Next \$1,000,000</td><td>0.40%</td><td>0.75%</td><td>1.15%</td></tr><tr><td>Next \$3,000,000</td><td>0.40%</td><td>0.50%</td><td>0.90%</td></tr></table>	Assets Under Management	Management Fee	Representative Fee	First \$100,000	1.25%	1.5% maximum fee	Next \$100,000 - \$249,999	1.00%	Next \$250,000 - \$499,999	0.75%	Next \$500,000 - \$999,999	0.50%	Next 1 million +	0.40%	Asset Valuation	Investment Advisory Fee	Referring Investment Consultant Fee	Total Fee	\$50,000 - \$500,000	0.40%	1%	1.40%	Next \$500,000	0.40%	0.90%	1.30%	Next \$1,000,000	0.40%	0.75%	1.15%	Next \$3,000,000	0.40%	0.50%	0.90%
Assets Under Management	Management Fee	Representative Fee																																	
First \$100,000	1.25%	1.5% maximum fee																																	
Next \$100,000 - \$249,999	1.00%																																		
Next \$250,000 - \$499,999	0.75%																																		
Next \$500,000 - \$999,999	0.50%																																		
Next 1 million +	0.40%																																		
Asset Valuation	Investment Advisory Fee	Referring Investment Consultant Fee	Total Fee																																
\$50,000 - \$500,000	0.40%	1%	1.40%																																
Next \$500,000	0.40%	0.90%	1.30%																																
Next \$1,000,000	0.40%	0.75%	1.15%																																
Next \$3,000,000	0.40%	0.50%	0.90%																																

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant: Brookstone Capital Management LLC	SEC File Number: 801-68010	Date: 01/12/10
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Brookstone Capital Management LLC	IRS Empl. Ident. No.: 20-5073624
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Item of Form (identify)	Answer
1. D Continued	<p>Fees may be negotiated by the advisor under unusual circumstances, at the sole discretion of the advisor. Asset management fees will be automatically deducted from the client account on a quarterly basis by the custodian.</p> <p>All fees paid to Brookstone Capital Management LLC for investment advisory services are separate and distinct from the expenses charged by mutual funds to their shareholders and the product sponsor in the case of variable insurance products. These fees and expenses are described in each fund's or variable product's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the sponsor also imposes sales charges, a client may pay an initial or deferred sales or surrender charge. A client could invest in these products directly, without the services of Brookstone Capital Management LLC. In that case, the client would not receive the services provided by Brookstone Capital Management LLC which are designed, among other things, to assist the client in determining which products or services are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the product sponsor and the fees charged by Brookstone Capital Management LLC to fully understand the total fees to be paid.</p> <p>Brookstone Capital Management LLC also offers comprehensive financial planning services for individuals, families and businesses. Our Financial Planning services include data gathering and analysis, along with creating a financial plan with specific recommendations and implementation advice tailored to client needs. Specific areas of advice include investment planning, insurance needs assessment and advice, retirement planning, cash flow management, debt consolidation, capital needs assessments, educational planning, estate planning, and business planning.</p> <p>In the majority of cases, the firm charges an hourly fee of \$100 per hour, billed in six minute increments, for financial planning services. A minimum of two hours is payable upon receipt of a signed Advisory contract, with any additional fee owned payable upon presentation of the financial plan. In certain instances, or for those clients who desire it, the firm may charge a fixed fee for financial planning services. Fixed fees are payable 1/3 upfront, with the remainder to be paid upon presentation of the financial plan. Fixed fees can range from \$200 to \$2,000, and are based on the complexity of the work required. All financial planning fees are negotiable.</p> <p>Brookstone Capital Management LLC will provide investment advisory services, portfolio management services, and financial planning services, but will not provide custodial or other administrative services. At no time will Brookstone Capital Management LLC accept or maintain custody of a client's funds or securities. Client is responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer. The Advisors fee is separate and distinct from the custodian and execution fees.</p>

**Schedule F of
Form ADV****Continuation Sheet for Form ADV Part II**Applicant:
Brookstone Capital
Management LLCSEC File Number:
801-68010Date:
01/12/10

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

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

Brookstone Capital Management LLC

IRS Empl. Ident. No.:

20-5073624

Item of Form (identify)	Answer
1. D continued	<p>Clients may request to terminate their advisory contract with Brookstone Capital Management LLC, in whole or in part, by providing 30 days advance written notice. If the Form ADV Part II is not delivered at least forty eight (48) hours before the client enters into the contract, then the client has the right to terminate the contract within five (5) business days after entering into it without penalty. Upon termination, any fees paid in advance will be prorated to the date of termination and any excess will be refunded to client. Client's advisory agreement with the Advisor is non-transferable without Client's written approval.</p>
	<p style="text-align: center;"><u>Types of Investment Strategies</u></p>
4. C (7)	<p>An investment strategy that will be utilized by Brookstone Capital Management LLC will be to buy put options on the market.</p>
	<p style="text-align: center;"><u>Education and Business Standards</u></p>
5.	<p>Brookstone Capital Management LLC requires that persons providing investment advice should be an Investment Advisor Representative meeting the registration requirements of their applicable state.</p>
	<p style="text-align: center;"><u>Education and Business Background</u></p>
6.	<p>Name: Dean Zayed Date of Birth: 11/8/1972 Education: Northwestern University, BA in Economics; Northwestern University, JD; Chicago Kent College of Law, LLM Licenses: Series 7, 63 and 65. Professional designations CFP, LLM and JD. Licensed for life, health, long-term care and disability insurance.</p> <p>Industry Experience: 08/09 to Present, Center Street Securities, Registered Representative. (Mr. Zayed's Series 7 and 63 licenses are registered with Center Street). 03/09 to Present, Producers Equity Group, Part-Owner & Vice President. 08/06 to Present, Brookstone Capital Management LLC, President. 3/00 to Present, Prizm Financial Advisors, Principal. 3/99 to Present, Perkins & Zayed, PC., Attorney. 10/02 to 08/09, Waterstone Financial Group, Registered Representative.</p>

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant: Brookstone Capital Management LLC	SEC File Number: 801-68010	Date: 01/12/10
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Brookstone Capital Management LLC	IRS Empl. Ident. No.: 20-5073624
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Item of Form (identify)	Answer
6. Continued	<p>Name: Matthew J. Rettich Date of Birth: 12/31/1953 Licenses: Series 65. Licensed for life, health, long-term care and disability insurance.</p> <p>Industry Experience: 09/06 to Present, Brookstone Capital Management LLC, Vice President. 11/01 to Present, Covenant Reliance Producers LLC, Founder/CEO. 09/96 to Present, Cornerstone Retirement Group, LLC, Founder/CEO. 03/09 to Present, Producers Equity Group, Part-Owner & President.</p>
7. C	<p style="text-align: center;"><u>Other Business Activities</u></p> <p>The President of Brookstone Capital Management LLC is also a registered representative of Center Street Securities and is engaged in the business of selling life, health, long-term care, disability and annuity insurance products as well as securities. The other Investment Adviser Representatives of Brookstone Capital Management LLC may also be registered representatives of broker/dealers engaged in the business of selling securities, life, health, long-term care, disability and annuity products. As registered representatives, associates may receive separate yet typical compensation in the form of commissions for the purchase of securities products through their affiliated broker-dealer as well as for the sale of insurance products. This activity currently comprises 10% of their time.</p> <p>Investment Advisor Representatives for Brookstone Capital Management LLC may also sell life, health, long-term care, disability and annuity insurance products and will spend approximately 40% of their time on insurance related business. Approximately 50% of their time is spent with Brookstone Capital Management LLC.</p>
8. C (8)	<p style="text-align: center;"><u>Other Financial Industry Activities or Affiliations</u></p> <p>Investment Adviser Representative, Dean Zayed of Brookstone Capital Management LLC is a shareholder in the law firm of Perkins & Zayed, PC. From time to time, Perkins & Zayed, PC may provide legal services for clients of Brookstone Capital Management LLC. These agreements will be disclosed by Brookstone Capital Management LLC at the time the advisory agreement is entered into by delivery of Brookstone Capital Management LLC's Form ADV Part II to the client.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

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Applicant: Brookstone Capital Management LLC	SEC File Number: 801-68010	Date: 01/12/10
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Item of Form (identify)	Answer
8. C (9)	<p>Matthew Rettich is the founder and CEO of Covenant Reliance Producers, LLC. investment Advisor Representatives for Brookstone Capital Management LLC may also be licensed and registered as insurance agents to sell life, health, long-term care, disability and annuity insurance products for Covenant Reliance Producers, LLC. Therefore, they will be able to purchase insurance products for any client in need of such services and will receive separate, yet typical compensation in the form of commissions for the purchase of insurance products. Clients are not obligated to use Covenant Reliance Producers, LLC for insurance products services. In such instances, there is no advisory fee associated with these insurance products.</p>
	<p style="text-align: center;"><u>Participation or Interest in Client Transactions</u></p>
9. B	<p>Where acting in the capacity of a registered representative of a registered broker/dealer, advisory representatives of Brookstone Capital Management LLC may as broker or agent effect securities transactions for typical and customary compensation. Clients are not obligated to use advisory representatives of the Brookstone Capital Management LLC to execute such securities transactions.</p>
9. E	<p>Brookstone Capital Management LLC and/or its advisory representatives may from time to time purchase or sell products that they may recommend to clients. Brookstone Capital Management LLC has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the adviser. In addition, the Code of Ethics governs personal trading by each employee of Brookstone Capital Management LLC deemed to be an Access Person and is intended to ensure that securities transactions effected by Access Persons of Brookstone Capital Management LLC are conducted in a manner that avoids any actual or potential conflict of interest between such persons and clients of the adviser or its affiliates. Brookstone Capital Management LLC collects and maintains records of securities holdings and securities transactions effected by Access Persons. These records are reviewed to identify and resolve potential conflicts of interest.</p> <p>Additionally, when executing securities trades in personal securities accounts, Investment Advisor Representatives and supervised persons must be especially careful to make sure that such trading activities are:</p> <ul style="list-style-type: none"> • not conducted in advance of client transactions in similar securities. • not in opposition to recommendations made for client securities transactions. • Not based upon inside information or research analyst reports that the adviser prepared. • Not otherwise in violation of applicable securities laws or fiduciary duties owed to clients. <p>Brookstone Capital Management LLC's Code of Ethics is available upon request.</p>

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10.	<p style="text-align: center;"><u>Conditions for Managing Accounts</u></p> <p>Brookstone Capital Management LLC's cumulative household minimum account size is \$50,000. However, based on facts and circumstances Brookstone Capital Management LLC may, at its sole discretion, accept accounts with a lower value.</p>
11. A & B	<p style="text-align: center;"><u>Review of Accounts</u></p> <p>Accounts are monitored on an ongoing basis by Dean Zayed. The triggering factors would be Brookstone Capital Management LLC becomes aware of a change in client's investment objective, a change in market conditions, change of employment, re-balancing of assets to maintain proper asset allocation and any other activity that is discovered as the account is reviewed. The client will receive written statements no less than quarterly from the trustee or custodian. In addition, the client will receive other supporting reports from Mutual Funds, Asset Managers, Trust Companies or Custodians, Insurance Companies, Broker/Dealers and others who are involved with client accounts.</p> <p>The client is encouraged to notify the Advisor and Investment Advisor Representative if changes occur in his/her personal financial situation that might adversely affect his/her investment plan.</p>
12. A (1) & (2)	<p style="text-align: center;"><u>Investment or Brokerage Discretion</u></p> <p><u>Investment Discretion:</u> Brookstone Capital Management LLC generally has discretion over the selection and amount of securities to be bought or sold in client accounts without obtaining prior consent or approval from the client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the client and agreed to by Brookstone Capital Management LLC.</p> <p>Discretionary authority will only be authorized upon full disclosure to the client. The granting of such authority will be evidenced by the client's execution of an Investment Advisory Agreement containing all applicable limitations to such authority. All discretionary trades made by Brookstone Capital Management LLC will be in accordance with each client's investment objectives and goals.</p> <p><u>Best Execution:</u> As an investment advisory firm, Brookstone Capital Management LLC has a fiduciary duty to seek best execution for client transactions. While best execution is difficult to define and challenging to measure, there is some consensus that it does not solely mean the achievement of the best price on a given transaction. Rather, it appears to be a collective</p>

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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

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Item of Form (identify)	Answer	
12. A (1) & (2) Continued	<p>consideration of factors concerning the trade in question. Such factors include the security being traded, the price of the trade, the speed of the execution, apparent conditions in the market, and the specific needs of the client. Brookstone Capital Management LLC's primary objectives when placing orders for the purchase and sale of securities for client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the broker. Brookstone Capital Management LLC will recommend a broker-dealer to clients. The broker-dealer has been chosen based on the following: 1) the broker's capital depth, 2) the broker's market access, 3) the broker's transaction confirmation and account statement practices, 4) our knowledge of negotiated commission rates and spreads currently made available, 5) the nature and character of the markets for the security to be purchased or sold, 6) the desired timing of the transaction, 7) the execution, 8) clearance and settlement capabilities of the broker selected and others considered, 9) our knowledge of any actual or apparent operational problems of a broker and 10) the reasonableness of the commission or its equivalent for the specific transaction. Based on the above criteria, Brookstone Capital Management LLC may not necessarily pay the lowest commission or commission equivalent as specific transactions may involve specialized services on the part of the broker. This would justify higher commissions (or their equivalent) than other transactions requiring routine services. If Brookstone Capital Management LLC is directed by the client to direct trades to a specific broker dealer other than the custodian typically used by Brookstone Capital Management LLC for trade execution, it is disclosed that Brookstone Capital Management LLC's ability to negotiate commissions (where applicable), obtain volume discounts, or otherwise obtain best execution may not be as favorable as might otherwise be obtained.</p> <p><u>Order Aggregation:</u> Brookstone Capital Management LLC may combine orders into block trades when more than one account is participating in the trade. This blocking or bunching technique must be equitable and potentially advantageous for each such account (ie. For the purposes of reducing brokerage commissions or obtaining a more favorable execution price). Block trading is performed when it is consistent with the duty to seek best execution and is consistent with the terms of Brookstone Capital Management LLC's investment advisory agreements. Equity trades are blocked based upon fairness to client, both in the participation of their account, and in the allocation of orders for the accounts of more than one client. Allocations of all orders are performed in a timely and efficient manner. All managed accounts participating in a block execution receive the same execution price (average share price) for the securities purchased or sold in a trading day. Any portion of an order that remains unfilled at the end of a given day will be rewritten on the following day as a new order with a new daily average price to be determined at the end of the following day. Due to the low liquidity of certain securities, broker</p>	

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Brookstone Capital
Management LLC

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Brookstone Capital Management LLC

IRS Empl. Ident. No.:
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Item of Form (identify)	Answer
12. A (1) & (2) Continued	availability may be limited. Open orders are worked until they are completely filled, which may span the course of several days. If an order is filled in its entirety, securities purchased in the aggregated transaction will be allocated among the accounts participating in the trade in accordance with the allocation statement. If an order is partially filled, the securities will be allocated pro rata based on the allocation statement. Brookstone Capital Management LLC may allocate trades in a different manner than indicated on the allocation statement (non-pro rata) only if all managed accounts receive fair and equitable treatment.
12. B	<p>Where Brookstone Capital Management LLC does not exercise brokerage discretion, it may recommend brokers to clients for execution and/or custodial services where requested by the client. Clients are not obligated to use the recommended broker and will not incur any extra fee or cost associated with using a broker not recommended by Brookstone Capital Management LLC. Brookstone Capital Management LLC may recommend brokers based on criteria such as, but not limited to, reasonableness of commissions charged to the client, services made available to the client, and location of broker offices. Brookstone Capital Management LLC is not compensated in any way with respect to making such recommendations. When referring clients to dealers Brookstone Capital Management LLC will only refer clients to dealers registered in states where the clients reside.</p> <p>Brookstone Capital Management LLC does not receive research services, other products, or compensation as a result of recommending a particular broker which may result in the client paying higher commissions than those obtainable through other brokers.</p> <p>Brookstone Capital Management participates in the institutional customer program offered by TD AMERITRADE INSTITUTIONAL. TD AMERITRADE INSTITUTIONAL is a division of TD AMERITRADE Inc., member FINRA/SIPC ("TD AMERITRADE "), an unaffiliated SEC-registered broker-dealer and FINRA member. TD AMERITRADE offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Brookstone Capital Management receives some benefits from TD AMERITRADE through its participation in the program. (Please see the disclosure under Item 13. A below.)</p> <p style="text-align: center;"><u>Additional Compensation</u></p>
13. A	As disclosed under Item 12. B above, Brookstone Capital Management participates in TD AMERITRADE's INSTITUTIONAL customer program and Brookstone Capital Management requires clients to maintain accounts with TD AMERITRADE for custody and brokerage services. There is no direct link between Brookstone Capital Management's participation in the program and the investment advice it gives to its clients, although Brookstone

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Item of Form (identify)	Answer
13. A Continued	<p>Capital Management receives economic benefits through its participation in the program that are typically not available to TD AMERITRADE retail investors. These benefits include the following products and services (provided without cost or at a discount): duplicate client statements and confirmations; research related products and tools (including Brookstone's Morningstar subscription as well as Albridge, a back office performance and reporting system); consulting services; access to a trading desk serving advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to 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 to certain Institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Brookstone Capital Management by third party vendors. TD AMERITRADE may also have paid for business consulting and professional services received by Brookstone Capital Management's related persons, and may also pay or reimburse expenses (including travel, lodging, meals and entertainment expenses) for Brookstone Capital Management's personnel to attend conferences or meetings relating to the program or to TD AMERITRADE's advisor custody and brokerage services generally. Some of the products and services made available by TD AMERITRADE through the program may benefit Brookstone Capital Management but may not benefit its client accounts. These products or services may assist Brookstone Capital Management in managing and administering client accounts, including accounts not maintained at TD AMERITRADE. Other services made available by TD AMERITRADE are intended to help Brookstone Capital Management manage and further develop its business enterprise. The benefits received by Brookstone Capital Management (or its personnel) through participation in the program do not depend on the amount of brokerage transactions directed to TD AMERITRADE. Clients should be aware, however, that the receipt of economic benefits by Brookstone Capital Management or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Brookstone Capital Management's choice of TD AMERITRADE for custody and brokerage services.</p> <p>Brookstone Capital Management also receives from TD AMERITRADE certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment advisors participating in the program. (Brookstone may make these additional services available to its affiliates without cost.) Specifically, the Additional Services include Albridge, the firm's back office performance and reporting system, as well as the firm's subscription to Morningstar. TD AMERITRADE provides the Additional Services to Brookstone Capital Management in its sole discretion and at its own expense, and Brookstone Capital Management does not pay any fees to TD AMERITRADE for the Additional Services. Brookstone Capital Management and TD AMERITRADE have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.</p>

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Item of Form (identify)	Answer
13. A Continued	<p>Brookstone Capital Management's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to Brookstone Capital Management, TD AMERITRADE most likely considers the amount and profitability to TD AMERITRADE of the assets in, and trades placed for, Brookstone Capital Management's client accounts maintained with TD AMERITRADE. TD AMERITRADE has the right to terminate the Additional Services Addendum with Brookstone Capital Management, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD AMERITRADE, Brookstone Capital Management may have an incentive to recommend to its clients that the assets under management by Brookstone Capital Management be held in custody with TD AMERITRADE and to place transactions for client accounts with TD AMERITRADE. In addition, Brookstone Capital Management shares the Additional Services with its affiliated entities. Consequently, Brookstone Capital Management's clients' brokerage commissions and custodial fees generated at TD AMERITRADE may be used to benefit Brookstone Capital Management's affiliates. Brookstone Capital Management's receipt of Additional Services does not diminish its duty to act in the best interests of its clients, including to seek best execution of trades for client accounts.</p>
13. B	<p>Brookstone Capital Management LLC may enter into solicitor relationships with individuals ("Solicitors") who in turn offer our services to members of the public. Through these arrangements, we pay a cash referral fee to the Solicitor based upon a percentage of our advisory fee. The referral fee is paid pursuant to a written agreement and this information is disclosed to Clients prior to or at the time of entering into an investment advisory agreement.</p> <p style="text-align: center;"><u>Proxy Voting</u></p> <p>Brookstone Capital Management LLC will not vote, nor advise clients how to vote, proxies for securities held in client accounts. The client clearly keeps the authority and responsibility for the voting of these proxies. Also, Brookstone Capital Management LLC cannot give any advice or take any action with respect to the voting of these proxies. The client and Brookstone Capital Management LLC agree to this by contract.</p> <p>For accounts subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), the plan fiduciary specifically keeps the authority and responsibility for the voting of any proxies for securities held in plan accounts. Also, Brookstone Capital Management LLC cannot give any advice or take action with respect to the voting of these proxies.</p>

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IRS Empl. Ident. No.:

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Item of Form (identify)	Answer
	<p style="text-align: center;"><u>Privacy Policy</u></p> <p>To conduct regular business the investment adviser may collect nonpublic personal information about its clients from sources such as:</p> <ol style="list-style-type: none">1. Information reported by clients on applications or other forms clients provide to the investment adviser.2. Information about clients' transactions with the investment adviser and its affiliates or others.3. Conversations between clients and the firms representatives.4. The investment adviser will share non-public information solely to service client accounts. The investment adviser will not disclose any non-public personal information about its clients or former clients to anyone, except as permitted by law. If a client decides to close the client's account(s) with the investment adviser or becomes an inactive client, the investment adviser will continue to adhere to its privacy policy and practices with respect to that client as described in this notice. <p>Brookstone Capital Management LLC never discloses the nonpublic personal information collected about its clients to anyone except in furtherance of our business relationship, and then only to those persons necessary to effect the transactions and provide the services that Client authorize (such as broker-dealers, custodians, investment managers etc.) or as otherwise provided by law.</p> <p style="text-align: center;"><u>Business Continuity Plan</u></p> <p>A copy of Brookstone Capital Management LLC's Business Continuity Plan Disclosure Document will be provided to the Client at the time of account opening as well as when material changes to the plan occur. A copy of this document may be obtained at any time upon request.</p>

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