

Capstone Wealth Advisors Inc.

**5875 Castle Creek Parkway Suite 185
Indianapolis, In 46250**

317-577-8233

317-577-8234

www.capstonewa.com

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**FORM ADV PART 2
BROCHURE**

This brochure provides information about the qualifications and business practices of Capstone Wealth Advisors Inc. If you have any questions about the contents of this brochure, please contact us at 317-577-8233 or rrich@Capstonewa.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Capstone Wealth Advisors Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Capstone Wealth Advisors Inc. is 122357.

Capstone Wealth Advisors Inc. 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

Capstone Wealth Advisors Inc (CWA) was started in the fall of 2002. There are two principal owners Ronald J. Rich and Thomas M. Steinmetz both of whom own 50% of the business. CWA has no other locations or owners.

CWA offers personal financial planning services to individuals and families. Those services include tax reduction planning, investment allocation and monitoring, cash flow planning, estate organization, beneficiary, title and ownership designations, budgeting, life and wealth goal planning. Investment allocation and monitoring includes allocation models built with mutual funds and separately managed accounts offered through SEI Investments. The investment monitoring service includes periodic reports which address current values, cost basis and performance. The service also includes a tax letter summary of dividends, interest and capital gains and losses.

CWA meets personally with clients and prospective clients and reviews prior year tax returns, copies of existing investments and has a discussion about the client's cash flow, net worth, investing experience and life and wealth goals. Additionally we attempt to understand a client's risk tolerance for market volatility and cash reserves to determine the appropriate asset allocation to help them meet their investing needs. Clients may in the case of the separately managed program request that a particular security or types of securities be blocked from their account such as alcohol and tobacco.

We do not participate in wrap fee arrangements.

We currently monitor over \$35,000,000 of client assets. Clients are placed in model portfolios designed by SEI Investments. The client signs an investment policy statement (IPS) that authorizes SEI to rebalance the portfolio back to targets weights for each asset class on a quarterly basis. Additionally SEI adjusts the target weights periodically based on changing economic and investment developments. Further SEI periodically replaces or adds new mutual fund or separate account managers throughout the year based a variety of factors. Generally clients are not consulted about the changes before action is taken. This process is described in the IPS each client signs. CWA does not generally have investment discretion over client's accounts but SEI does.

We do not use a different method to calculate assets we manage.

Fees and Compensation

Form ADV Part 2A, Item 5

• Clients are charged a fee at the end of each quarter based on the value of their account. Financial planning clients are billed one half the quoted fee in advance. Most planning fees are negotiated based on an estimate of time to complete the task and complexity.

Fees are deducted from assets after the end of the quarter. Financial planning clients are direct billed. Larger accounts may negotiate fees per the fee schedule.

Clients incur mutual fund and separate manager fees in addition to the CWA advisory fee. Accounts smaller than \$60,000 also pay a quarterly small account fee of \$15.00 directly to SEI and IRA account holders also incur an annual fee of \$30. SEI charges an account closing fee of \$75.00. SEI does not share fees with CWA. If a client has individual securities or transfers in kind existing mutual funds and securities and those assets are later sold there may be transaction costs. Again SEI does not share fees with CWA.

Clients do not pay investment fees in advance. Financial planning clients do pay a retainer in advance of one half the quoted fee and the balance of the planning fee when the recommendation letter is delivered.

We do not sell products or receive commissions.

We do not recommend investments that pay a commission nor do we sell them.

Performance-Based Fees and Side-By-Side Management

Form ADV Part 2A, Item 6

We do not receive performance based fees.

Types of Clients

Form ADV Part 2A, Item 7

Most of our clients are individuals and families. We also provide investment advice and monitor performance for small to mid size 401 (k) and profit sharing plans. We do not accept accounts smaller than \$250,000 and reserve the right to charge a minimum fee of \$2,500.00.

Methods of Analysis, Investment Strategies and Risk of Loss

Form ADV Part 2A, Item 8

We review our client's income tax return, discuss their personal life and wealth goals and the client willingness to accept market volatility. Based on this information we recommend investments and asset allocation models consistent with these factors. All investments have a risk of market loss.

All clients should be advised that investing has risks which include potential loss of principal, underperforming the market and experiencing extended periods of time when investments perform below historical averages. Historical returns are not guarantees of future performance.

Most of our clients invest in mutual funds or separately managed accounts. Diversified investments such as mutual funds or professionally managed portfolios do not prevent the risk of loss or guarantee performance. All investing activity includes the risk of loss of principal and underperforming the market.

Disciplinary Information

Form ADV Part 2A, Item 9

Capstone Wealth Advisors, Inc. has been registered and providing investment advisory services since 2007. Neither our firm nor any of our management persons has any legal or disciplinary information.

Other Financial Industry Activities and Affiliations

Form ADV Part 2A, Item 10

We have an ongoing relationship with SEI Investments. We use their mutual fund models and have access to their separately managed accounts program. We receive no compensation of any kind from SEI. We have informal business relationships with CPA firms, law firms and insurance advisors that provide services to our clients. We do not share revenues or fees with any firm. We do occasionally refer business to these firms and we periodically receive referrals from these firms.

We do not recommend or select other investment advisors and therefore do not receive any compensation or have a conflict of interest.

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

Form ADV Part 2A, Item 11

We do not buy or sell securities for clients in which we have a material interest.

We purchase and own the same mutual funds and use the same separate account managers as we recommend to our clients. We believe in what we recommend to our clients and purchase them from the same independent party as our clients and receive no preference or compensation.

Our purchase of mutual funds and the use of separate account managers similar to what we recommend to our clients does not present a conflict of interest. We pay the same price receive the same reports and are not compensated. Nor do we receive any preferences of any kind from the custodian.

Brokerage Practices

Form ADV Part 2A, Item 12

We do not use a broker dealer.

Review of Accounts

Form ADV Part 2A, Item 13

We review all accounts no less than annually. Reviews are conducted by Ron Rich, President or Tom Steinmetz, Principal. We review asset allocation, performance, cash flow in and out, gains and losses and manager changes.

We review periodically but will review anytime a client requests.

We provide no less than quarterly reports sent either by mail or electronically. The reports indicate current account market value, all activity, securities owned, cash flow in and out.

Client Referrals and Other Compensation

Form ADV Part 2A, Item 14

We have received no economic benefits, prizes or awards.

We do not compensate any person who is not an employee of the firm. We do on occasion have lunch or dinner with other professionals who provide services to our clients such as attorneys, CPA's and insurance professionals for the purpose of discussing developments in our respective professions and for the mutual benefit of our shared clients. Further we invite these individuals to our educational and lifetime learning events for the mutual benefit of our shared clients.

Custody

Form ADV Part 2A, Item 15

Our custodian SEI investments prepares and send directly to clients all periodic reports including year end tax related reports. While we periodically review these reports all clients should carefully read and review there own reports and call us with any questions. We do not prepare or mail reports independent of the reports clients receive from the custodian

Investment Discretion

Form ADV Part 2A, Item 16

We do not have investment discretionary authority to manage client accounts. All clients sign an investment policy statement which authorizes SEI to rebalance accounts back to agreed upon targets, to adjust targets based on changing market and economic conditions and replace managers for both qualitative and quantitative reasons. This applies to both mutual fund and separately managed accounts.

Voting Client Securities

Form ADV Part 2A, Item 17

We do not vote client securities.

We do not vote client securities, Clients receive proxy material directly from the custodian and may call us should they have questions.

Financial Information

Form ADV Part 2A, Item 18

We receive and collect investment fees in arrears and therefore are not subject to this rule.

We do not have discretionary authority and do not collect prepaid investment advisory fees.

Requirements for State-Registered Advisers

Additional Information