

# **Capital Guardian Wealth Management, LLC**

420 Park St Suite 100  
Belmont, NC 28012

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This brochure provides information about the qualifications and business practices of Capital Guardian Wealth Management, LLC (“Capital Guardian”). If you have any questions about the contents of this brochure, please contact us at 704-865-2900. 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 Capital Guardian Wealth Management, LLC also is available on the SEC’s website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov)

## ***Material Changes***

The Securities and Exchange Commission has adopted some new rules regarding how we disclose information regarding our advisory business. This includes an entirely new format for our ADV Part 2, which is the disclosure document that we give to all our new clients and also offer to all our existing clients once per year. The following is the new format for the ADV Part 2A.

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## **Advisory Business**

Capital Guardian is an investment advisory firm headquartered in Belmont, NC. It was originally registered in April of 2006 by David Alan Boyer, David McMahan, and Mike Fayed. The firm is owned by Capital Guardian Holding Company, LLC, of which Mr. Boyer, Mr. McMahan, and Mr. Fayed are the majority owners.

Capital Guardian provides fee-based investment advisory management services and financial planning services. Capital Guardian's advisors practice custom management of portfolios. When desired by the client, Capital Guardian's advisory may manage the client's account on a discretionary basis, according to the client's objectives. Advisory services are specifically tailored for clients at the inception of the relationship and on an ongoing basis as needed. This is determined by client interviews and meetings, at which point clients may specifically impose restrictions on specific types of investments.

Additionally, based on the client's risk tolerance and investment objective, Capital Guardian's advisors may recommend an independent third party advisor to manage the client's account.

## **Fees and Compensation**

Capital Guardian charges an annual investment management fee based on the percentage of the market value of the assets being managed by Capital Guardian. The standard management fee schedule is as follows: (In some circumstances, the fees may be negotiable.)

\$0 - \$500,000	2.2%	\$1,000,001 - \$3,000,000	1.5%
\$500,001 - \$1,000,000	1.8%	\$3,000,000+	1.2%

Capital Guardian does not provide custodial services. Both Capital Guardian's Investment Advisory Agreement and the custodial/clearing agreement authorize the custodian to debit the account of the client for the amount of Capital Guardian's investment advisory fee and to directly remit that management fee to Capital Guardian in compliance with regulatory requirements.

Capital Guardian's annual investment advisory management fee shall be prorated and paid quarterly, either in arrears or in advance (depending on the investment advisory management program) based upon the market value of the assets on the last day of the previous quarter. A client may obtain a refund if the contract is terminated before the end of the billing period. This is determined by the number of days in the billing period, the agreed upon management fee, and the assets in the client account at the time of the billing calculation. The client is then refunded by check from the custodian the appropriate prorated refund.

## **Performance Based Fees and Side-By-Side Management**

Capital Guardian does not participate in performance based fees or side-by-side management.

## **Types of Clients**

The majority of Capital Guardian's clients are individual and high net worth domestic clients. From time to time non-resident alien clients, or trust accounts may be managed on an advisory basis.

Typically, Capital Guardian considers a minimum account size of \$250,000 for advisory accounts, but may in its sole discretion, require or allow a lesser account minimum or charge a lesser management fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with the client, etc.).

### **Methods of Analysis, Investment Strategies and Risk of Loss**

Capital Guardian's advisor's primary approach is to use a tactical allocation strategy aimed at reducing risk and increasing performance. The advisor uses exchange listed securities, over-the-counter securities, foreign securities, municipal securities, U.S. Government securities, to accomplish this objective. 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 stocks 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 the client, or any risk deemed unacceptable for the client's risk tolerance.

Clients should be aware that investing in individual securities involves a risk of loss that they should be prepared to bear. Risks that clients should keep in mind may include but are not limited to reduction in value of assets, increase in transactions costs (when managed in a non-wrap account), and reduction in performance.

### **Disciplinary Information**

Capital Guardian Wealth Management, LLC does not have any disciplinary actions or proceedings to disclose. However, David McMahan, Chief Investment Officer, was the subject of a investment related arbitration in April of 2006 while still registered with Raymond James. The customer alleged that Mr. McMahan breached his fiduciary duty in relation to the recommendation of a third party advisor. From the inception of the account in 2000, to the closing of the account in 2003, the client's account went down in value \$121,000, which was in concert with an approximately 50% decrease in the overall markets during the same time period. The client was awarded \$77,000 by the arbitration panel.

### **Other Financial Industry Activities and Affiliations**

Capital Guardian's advisors may be registered representatives of its affiliated broker-dealer, Capital Guardian, LLC (CRD#137919), and may, in their individual capacities, offer the sale of securities-related products to Capital Guardian's advisory clients on a fully-disclosed commission basis. In the event that the client chooses to purchase investment products through Capital Guardian, LLC, brokerage commissions will be charged by Capital Guardian, LLC to effect such transactions, a portion of which shall be paid by Capital Guardian, LLC to its registered persons who are advisors of Capital Guardian. Prior to effecting any transactions, the client will be required to enter into a new account agreement with Capital Guardian, LLC.

## **Code of Ethics**

Capital Guardian has adopted a Code of Ethics that serves to establish a standard of business conduct for all of Capital Guardian's advisors that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

Investment advisory representatives may buy or sell for themselves securities they also recommend to clients. These investment products will be bought and sold on the same basis as the clients', according to the clients' stated goals and investment objectives. In all instances, it is presumed that the positions would be so small as to not impact the pricing or performance of the security.

## **Brokerage Practices**

In the event that the client requests that Capital Guardian recommend a broker-dealer/custodian for execution and/or custodial services, Capital Guardian generally recommends that investment management accounts be maintained at Pershing, LLC ("Pershing"). Capital Guardian has chosen Pershing as their custodian due to a number of factors including quality of service, fees, reputation, accountability, and security of assets. The fees charged by Pershing may be higher or lower than other broker dealers or custodians, depending on the type of transaction. Capital Guardian considers the fees charged by Pershing to be comparable or favorable to those charged by other broker dealers or custodians.

Capital Guardian does not have any research or soft dollars arrangements.

Clients may request that transactions are directed and executed through a specific broker dealer. In these cases Capital Guardian may not be able to achieve the most favorable execution of clients transactions. Clients may pay higher brokerage commission due to the inability to aggregate transactions to reduce transactions costs, or the client may receive less favorable prices.

When possible, Capital Guardian may aggregate client trades in order to obtain lower overall costs on the transaction. This is done when an advisor has more than one client or account that is participating in the same security transaction at the same time. Not aggregating client orders may result in higher costs for the client.

## **Review of Accounts**

Client accounts are periodically reviewed for performance, suitability of investments, fees, and billing. These reviews are conducted at different times depending on the review in question. Supervisory reviews are performed by Matthew Chotkowski, Director of Compliance, and Frank Gutierrez, Chief Compliance Officer, on a daily, annual, and periodic basis.

Reviews may be triggered by automated compliance alerts, inquiries by advisors or clients, or during the annual audit of accounts. Clients receive account statements on a monthly basis unless a quarterly delivery is requested by the client. These statements include holdings, balances, transactions during the time period, changes in value since the last time period, and any fees or billings that incurred during the period.

## **Client Referrals and Other Compensation**

Capital Guardian does not currently have any client referral or compensation agreements with outside parties for domestic accounts. On a limited basis, Capital Guardian enters in to Foreign Finder Agreements with non-registered third parties who introduce non-resident alien clients to Capital Guardian advisors.

## **Custody**

Capital Guardian does not have custody of client assets. Client statements will be provided by the broker dealer/custodian of their investment. Clients should carefully review their statements to ensure they are accurate.

## **Investment Discretion**

Capital Guardian may accept discretionary authority to manage securities accounts on behalf of clients. This authority is granted at the inception of a client relationship via an investment advisory contract, and clients may dictate at that juncture what accounts Capital Guardian's advisor may manage in a discretionary fashion. Clients may also authorize third party managers to utilize discretionary authority over their accounts.

## **Voting of Client Securities**

Capital Guardian does not vote proxies for any client accounts. Clients will receive proxy information directly from the custodian of the account. Clients may contact Capital Guardian at any time at 704-865-2900 if they have questions regarding proxy voting.

## **Financial Information**

Capital Guardian does not believe that we have a financial condition that is likely to impair our ability to meet our contractual commitments to our clients.

## **Requirements for State Registered Advisors**

### Management Persons

DAVID MCMAHAN, Chief Operations Officer

Born: 1973

Educational Background:

Winthrop University, B.S. Finance, 1996

Wake Forest University, M.B.A., 1999

Recent Business Background:

IPS Financial Services Corp. d/b/a McMahan & Associates - President, 1999 to Present

Capital Guardian, LLC - Registered Representative, 2006 to Present

Raymond James - Registered Representative, 1999 to 2006

FINRA Registrations: 7, 24, 31, 51, 63, 65

ALAN BOYER, Chief Executive Officer

Born: 1971

Educational Background:

Wingate University, B.S. Accounting, 1993

Recent Business Background:

IPS Financial Services Corp. d/b/a McMahan & Associates - Adviser, 2003 to Present

Capital Guardian, LLC - Registered Representative 2006 to Present  
Wachovia Securities - 1999 to 2003  
Raymond James - Registered Representative, 2003 to 2006  
FINRA Registrations: 4, 7, 24, 31, 63, 66

MICHAEL FAYED, Chief Financial Officer

Born: 1972

Educational Background:

Winthrop University, B.S. Accounting, 1995, M.B.A., 1997

Recent Business Background:

IPS Financial Services Corp. d/b/a McMahan & Associates - Adviser, 1999 to Present

Capital Guardian, LLC - Registered Representative, 2006 to Present

Raymond James - Registered Representative, 2003 to 2006

FINRA Registrations: 7, 24, 28, 31, 63, 65

MATTHEW CHOTKOWSKI, Director of Compliance

Born: 1977

Educational Background:

University of Vermont, B.S. in Business Administration, 1999

Recent Business Background:

Capital Guardian Wealth Management LLC - Chief Compliance Officer, 2006 to Present

Capital Guardian, LLC-Director of Compliance, 2009 to Present

Bank of America - Financial Analyst, 2002 to 2006

Investors Bank & Trust - Mutual Fund Analyst, 2000 to 2001

FINRA Registrations: 7, 24

FRANKLIN GUTIERREZ, Chief Compliance Officer, Capital Guardian, LLC

Born: 1963

Educational Background:

Nova Southeastern University, B.S. in Business Management, 2002

NSU, Wayne Huizenga Graduate School of Business, MBA, 2010

Capital Guardian, LLC-Chief Compliance Officer, October 2009 to Present

Citi-Smith Barney International Personal Business, First Vice President 2005-2009

Citi-Smith Barney International Personal Business, Vice President 2002-2005

FINRA Registrations: 7, 9, 10, 24, 53, 63, 65