

**Capital Advisors, Inc.**  
Form ADV Part 2A  
Investment Adviser Brochure

March 2012

This brochure provides information about the qualifications and business practices of Capital Advisors, Inc. If you have any questions about the contents of this brochure, please contact Jamie L. Wilson, Chief Compliance Officer at 918.599.0045 and/or [jwilson@capitaladv.com](mailto:jwilson@capitaladv.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 Capital Advisors, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## Item 2: Summary of Material Changes

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### **Annual Update**

This Item of the brochure is updated if material changes have occurred during the course of Capital Advisors, Inc.'s (CAI) fiscal year; or with the Capital Advisors, Inc.'s Annual Updating Amendment (ADV).

### **Material Changes since the Last Update**

Since the last ADV filing, there are no material changes to report.

### **Full Brochure Available**

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Jamie Wilson, Chief Compliance Officer, at 918.599.0045 or [jwilson@capitaladv.com](mailto:jwilson@capitaladv.com).

Additional information about Capital is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Capital who are registered, or are required to be registered, as investment adviser representatives of Capital.

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## Item 4: Advisory Business

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### Firm Description

Capital is primarily engaged as an investment advisory firm which gives general and specific investment advice to high net worth individuals, institutions, and investment companies. Capital was founded in 1978.

### Principal Owners

Capital is owned by several individuals and trusts. Capital's owners include Lorine A. (Lori) Smith, George (Andy) Brown, Keith Goddard, Channing Smith, Keith C. Goddard Revocable Trust, and Elizabeth L. Goddard Revocable Trust.

### Types of Advisory Services

Capital offers the following types of advisory services: Portfolio management for individuals and/or small business, portfolio management for investment companies, portfolio management for businesses or institutional clients (other than investment companies), and selection of other advisors.

### Investment Advisory Services

Capital provides continuous and ongoing investment advice based on the individual needs of the client. This generally includes the following:

- A consultation with the client to ascertain investment objectives, risk tolerance, time horizon and life goals.
- Developing an asset allocation plan or model portfolio to align the client's investment objectives with the most efficient and effective investment vehicles to attain those objectives.
- Selection and presentation of an investment strategy to the client.
- Implementing the investment strategy by establishing investment accounts, selecting custodians if necessary, transferring client assets, and establishing trading and data procedures.
- Monitoring investment selections, including adjustments or rebalancing of investments as necessary to meet the client's changing needs.
- Providing information regarding investment philosophies, specific investment vehicles, and other areas to enhance the client's knowledge.
- Reporting portfolio information, including holdings and investment performance to the client.

### Capital Advisors Growth Fund

Capital serves as investment adviser to the Capital Advisors Growth Fund (CIAOX). CIAOX is a diversified open-end investment company registered under the Investment Company Act of 1940 (IC Act) as a series of the Trust for Investment Managers. U.S. Bancorp Fund Services, LLC provides administration accounting and transfer agency services to CIAOX.

## **Tailored Relationships**

Capital tailors investment advisory services to the individual needs of the client. The goals and objectives for each client are documented in our client relationship management system. Capital's clients are allowed to impose restrictions on the investments in their account. Capital may accept any reasonable limitation or restriction to discretionary authority on the account placed by the client. All limitations and restrictions placed on accounts must be presented to Capital in writing.

Agreements may not be assigned without client consent.

## **Wrap Fee Programs**

Capital participates in wrap fee programs. A "wrap-fee" program is one that provides the client with advisory and brokerage execution services for an all-inclusive fee. The client is not charged separate fees for the respective components of the total service.

In evaluating wrap fee programs, clients should consider that, depending upon the level of the wrap fee charged, the amount of portfolio activity in the client's account, the broker dealer's usual commission rates and other factors, the wrap fee may be more or less than the aggregate cost of such services if they were to be provided separately and if Capital were to negotiate commissions and seek best price and execution of transactions for the client's account.

Further, clients should be aware that the person recommending the program to the client may receive compensation as a result of the client's participation in the program, that the amount of this compensation may be more than what the person would receive if the client participated in other programs of the sponsor or paid separately for investment advice, brokerage, and other services, and that the person may therefore have a financial incentive to recommend the wrap fee program over other programs or services.

## **Client Assets**

As of December 31, 2011, Capital managed approximately \$1.068 billion in assets. Approximately \$798 million is managed on a discretionary basis, and \$270 million is managed on a non-discretionary basis.

## **Item 5: Fees and Compensation**

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### **Compensation**

Capital bases its fees on a percentage of assets under management and fixed fees, which are described below.

### **Compensation – Investment Advisory Services**

Fees for Investment Advisory Services associated with internally managed investment strategies are 1.00% (100 basis points) annually on the market value of the assets held

in the portfolio, payable quarterly. Fees for clients participating in a Dynamic Optimization Strategy directed by trading instructions supplied to Capital by Smart Portfolios, LLC are 1.20% (120 basis points) annually on the market value of the assets in the strategy, payable quarterly. All clients are billed in arrears.

Capital has a small number of clients who are billed in advance. These clients are not billed more than one quarter in advance and in the event of termination, any paid, but unearned fees are refunded to the client on a prorated basis.

### **Compensation – Other Services**

Certain non-discretionary accounts are charged a fixed annual fee for investment advice.

### **Compensation – Capital Advisors Growth Fund**

Capital may recommend the use of CIAOX, as suitable, to its investment advisory clients. Capital receives 0.75% (75 basis points) of the market value of CIAOX on an annual basis, payable quarterly. Capital does not charge an additional investment advisory fee on the portion of a client's assets that are invested in CIAOX.

When CIAOX shares are held in an account with Minshall & Company, Inc., (Minshall), an affiliated broker/dealer described in Item 10, Minshall will receive fees pursuant to Rule 12b-1 of the Investment Company Act as outlined in CIAOX's Prospectus. The fees paid to Minshall by CIAOX are the direct result of a selling dealer agreement with the Fund.

### **Calculation and Payment**

The specific manner in which fees are charged by Capital is established in a client's written agreement with Capital. Capital will generally calculate fees on a quarterly basis. Clients may also elect to be invoiced directly for fees or to authorize Capital to directly debit fees from client accounts.

Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

### **Termination of Agreement**

Capital may terminate any agreement at any time by notifying the client in writing. If the client made an advance payment, Capital will refund any unearned portion of the advance payment.

### **General Information on Compensation**

In certain circumstances, fees, account minimums and payment terms are negotiable depending on client's unique situation – such as the size of the aggregate related party portfolio size, family holdings, low cost basis securities, or certain passively advised investments and pre-existing relationships with clients. Certain clients may pay more or less than others depending on the amount of assets, type of portfolio, or the time involved, the degree of responsibility assumed, complexity of the engagement, special

skills needed to solve problems, the application of experience and knowledge of the client's situation. Lower fees for comparable services may be available from other sources.

The fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client

All fees paid to Capital for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and variable annuity sub-accounts to their shareholders with the exception of investment in CIAOX, as described above. These fees and expenses are described in each fund's or sub account's prospectus. These fees will generally include a management fee, other expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge.

A client could invest in a mutual fund or sub-account directly, without the services of Capital. In that case, the client would not receive the services provided by Capital which are designed, among other things, to assist the client in determining which mutual funds or sub-accounts are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds/sub-accounts and the fees charged by Capital to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Clients should note that similar advisory services may (or may not) be available from other registered investment advisers for similar or lower fees.

In addition to Capital investment advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, brokerage commissions, transaction fees, and other related costs and expenses. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus.

Such charges, fees and commissions are exclusive of and in addition to Capital's fee, and Capital shall not receive any portion of these commissions, fees, and costs.

## **Item 6: Performance-Based Fees and Side-by-Side Management**

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Neither Capital nor any of its Supervised Persons (employees) accepts performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).



Capital does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

## **Item 7: Types of Clients**

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### **Types of Clients**

As described in Item 4, Capital's clients include high net worth individuals, institutions, and investment companies.

### **Account Minimums**

Capital requires a minimum account of \$500,000 for investment advisory clients, although this may be negotiable under certain circumstances. The minimum annual fee is \$2,500. The standard fee schedules and minimum account sizes are negotiable and clients with similar assets may have differing fee schedules. Capital may group certain related client accounts for the purposes of achieving the minimum account size.

## **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

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### **Methods of Analysis**

Capital's investment process combines fundamental analysis with quantitative disciplines to manage risk. Capital continuously tracks objective markers for valuation, trend and risk in markets to guide tactical adjustments in the risk profile of client portfolios. Capital screens a universe of approximately 1,000 stocks weekly to search for markers for low valuation and near term positive change. Stocks that score well in both of these measures may be subjected to fundamental analysis, including a study of public filings, analyst reports, industry publications, quantitative detail, and conversations with management.

### **Investment Strategies**

Capital generally offers five core portfolio strategies that incorporate a broad spectrum of asset classes, as well as both active and passive investment philosophies. Capital encourages portfolio managers to mix and match among these five portfolios "building blocks" to produce highly customized portfolio solutions for clients' unique investment objectives and risk constraints.

**Managed Equity:** Capital built its reputation with its actively managed stock strategy more than 30-years ago. Capital combines rigorous fundamental analysis with quantitative disciplines to create strategically focused portfolios of 30-40 large-cap and mid-cap growth stocks for investors.

**Fixed Income:** Capital's approach to managing bond portfolios is distinguished by the degree of portfolio customization that is enabled for Capital's clients. Within an overall philosophy that emphasizes preservation of capital, Capital constructs clients' bond portfolios around one of three core designs: A "Liquidity" strategy for clients seeking low volatility and ready access to capital; An "Income" structure intended to maximize monthly cash flows; and a "Aggregate" approach that strikes a balance between liquidity and income objectives.

**Diversified Equity Growth Strategy:** The Diversified Equity Growth Strategy maintains exposure to 10 equity asset sectors at all times - large-cap growth, large-cap value, mid-cap, small-cap, international, emerging markets, Japan, natural resources, real estate and high-yield debt. The strategy invests in exchange traded funds, or "ETFs" that track passive indexes for each of these 10 asset sectors.

**Diversified Equity-Income Strategy:** The Diversified Equity-Income Strategy maintains exposure to eight equity asset sectors at all times - large-cap, mid-cap, small-cap, international, and Japan, natural resources, real estate and high-yield debt. The strategy invests in exchange traded funds, or "ETFs" that track passive indexes for each of these eight asset sectors.

A key differentiating factor for the Diversified Equity -Income Strategy is its use of dividend-weighted indexes to track each market sector. The ETFs included in the strategy emphasize stocks with higher dividend payments to produce an income stream for the portfolio in addition to its objective of long-term appreciation.

**Dynamic Allocation Strategy:** The Dynamic Allocation Strategy adjusts its risk profile dynamically among five equity market sectors - U.S. stocks', international stocks, emerging markets, real estate and commodities- and one fixed income sector- U.S. Investment-grade bonds. The strategy invests in exchange traded funds, or "ETFs" that track passive indexes for each of these six sectors.

The strategy utilizes a quantitative marker called a "moving average" to measure the trend in each of the five equity sectors on a monthly basis. When the trend for a given equity sector is positive the portfolio retains a position in an ETF that tracks that sector. When the trend is negative the ETF for that sector is sold, and the proceeds are reinvested into an ETF that tracks domestic investment-grade bonds.

Changes to the portfolio occur monthly based upon a monthly assessment of moving average markers for each sector in the portfolio. Total equity exposure can range from a minimum weighting of 10% when all five equity sectors indicate a negative trend, up to a maximum weighting of 98% when all five sectors are trending higher.

## **Risk of Loss**

Investing in securities involves risk of loss that clients should be prepared to bear. All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar next year will not buy as much as a dollar today, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Capital may recommend investment vehicles such as individual equity or fixed income securities, mutual funds, and international investments. Capital may recommend certain private equity limited partnerships, non-publicly traded stocks and hedge funds for clients meeting certain investor criteria.

Capital reserves the right to advise clients on any other type of investment that it deems appropriate based on the client's stated goals and objectives. Capital may also provide advice on any type of investment held in a client's portfolio at the inception of the advisory relationship or on any investment on which the client requests advice.

## **Item 9: Disciplinary Information**

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Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Capital or the integrity of Capital's management. Capital has no information to disclose applicable to this Item.

## **Item 10: Other Financial Industry Activities and Affiliations**

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### **Financial Industry Activities**

Capital has an affiliate, Minshall & Company, Inc.(Minshall) that is registered as a broker-dealer. Several of Capital's employees are registered representatives of Minshall.

Neither Capital nor any of its management persons is registered as (or associated with) a futures commissions merchant, commodity pool operator, or a commodity trading advisor.

### **Broker-Dealer / Registered Representatives**

Minshall & Company, Inc. (Minshall), a limited license broker/dealer, is a wholly owned subsidiary of Capital. Keith C. Goddard, Lori A. Smith, Andy Brown, Monty L. Butts, Jamie L. Wilson, Debra Konieczny, Jonathan D. Althage and Mark A. Symm are all registered representatives of Minshall.

In the case where certain mutual funds are held in a client account, Minshall may receive fees pursuant to Rule 12b-1 of the Investment Company Act, as amended, as outlined in the prospectus of the funds directly from the distributing broker.

This relationship could create a conflict of interest with clients. Notwithstanding the fact that principals and associates of Capital may be registered representatives of Minshall, Capital is solely responsible for investment advice rendered. Advisory services are provided separately and independently of the broker/dealer. Investment Adviser Representatives (IARs) of Capital spend less than 10% of their time on registered representative activities.

### **Investment Company**

Capital serves as investment advisor to Capital Advisors Growth Fund (CIAOX), an investment company registered under the Investment Company Act. CIAOX invests primarily in common stocks of U.S. companies. See Item 4 for additional disclosure. This relationship could create material conflict of interest with clients, as Capital may recommend CIAOX over regular investment advisory services or vice versa. This conflict is mitigated by the fact that the fee rates are similar.

## **Insurance Company or Agency**

Capital Advisors Insurance Services, LLC (Capital Insurance), an affiliated insurance agency is a wholly owned subsidiary of Capital. Andy Brown and Debra L. Konieczny are licensed agents of Capital Insurance, and occasionally participate in life and health insurance transactions in the State of Oklahoma. These individuals may earn compensation for insurance transactions through Capital Insurance. The affiliation is fully disclosed to clients at the time of purchase. Clients are not obligated to utilize IAR's of Capital or agents of Capital Insurance for any insurance purchases. All clients are free to utilize any insurance agent they choose. Insurance compensation will be separate and distinct from investment advisory fees charged by Capital.

IAR's devote less than 1% of their time to the insurance activities described above.

## **Other Investment Advisors**

Capital does not recommend or select other investment advisors for its clients.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

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### **Code of Ethics**

Capital employees must comply with a Code of Ethics and Statement for Insider Trading and a similar Investment Company Code for CIAOX. Capital's Code describes the Firms' high standard of business conduct, and fiduciary duty to its clients. The Code's key provisions include:

- Statement of General Principles
- Policy on and reporting of Personal Securities Transactions
- A prohibition on Insider Trading
- Restrictions on the acceptance of significant gifts
- Procedures to detect and deter misconduct and violations
- Requirement to maintain confidentiality of client information

Jamie L. Wilson, Chief Compliance Officer, reviews all employee trades each quarter. Her trades are reviewed by the Keith C. Goddard, President and Chief Executive Officer. These reviews ensure that personal trading does not affect the markets, and that clients of Capital receive preferential treatment.

Capital's employees must acknowledge the terms of the Code of Ethics at least annually. Any individual not in compliance with the Code of Ethics may be subject to termination.

Clients and prospective clients can obtain a copy of Capital's Code of Ethics by contacting Jamie L. Wilson, Chief Compliance Officer at 918.599.0045.

## **Participation or Interest in Client Transactions – Personal Securities Transactions**

Capital and its employees may buy or sell securities identical to those recommended to clients for their personal accounts. These trades may not occur ahead of client trades. The Code of Ethics, described above, is designed to assure that the personal securities transactions, activities and interests of the employees of Capital will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Capital's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Capital and its clients.

## **Participation or Interest in Client Transactions – Financial Interest and Principal/Agency Cross**

Capital and its employees may recommend to clients, or buy or sell for client accounts, securities in which they have a material financial interest.

It is Capital's policy that the Firm will not affect any principal or agency cross securities transactions for client accounts. Capital will also not cross trades between client accounts.

## **Participation or Interest in Client Transactions – (None other than as Adviser to Investment Company (Mutual Fund))**

If Capital recommends a purchase or sale in a security in which a related person has some financial interest, full disclosure is given to the client. As disclosed in Item 4, Capital serves as the investment adviser to CIAOX. Full disclosure on Capital's participation in client transactions is provided via the prospectus for CIAOX.

## **Participation or Interest in Client Transactions – Aggregation**

Capital and its employees may trade in the same securities with client accounts on an aggregated basis when consistent with Capital's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Capital will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

## Item 12: Brokerage Practices

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### Research and Other Soft Dollar Benefits

Capital does not receive formal soft dollar benefits other than execution from broker/dealers in connection with client securities transactions. See disclosure below in “Directed Brokerage – Other Economic Benefits”.

### Brokerage for Client Referrals

Capital receives client referrals from broker-dealers.

### Brokerage for Client Referrals – Charles Schwab & Co. Inc.

Capital receives client referrals from Charles Schwab & Co. Inc. (Schwab) through Capital’s participation in Schwab Advisor Network (the Service) which is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with Capital. Schwab does not supervise advisor and has no responsibility for Capital’s management of client’s portfolios or advisors other advice or services. Capital pays Schwab fees to receive client referrals through the Service. Capital’s participation in the Service may raise potential conflicts of interest described below.

Capital pays Schwab Participation Fees on all referred clients’ accounts that are maintained in custody at Schwab and a Non-Schwab custody fee on all accounts that are maintained at, or transferred to another custodian. Participation Fees are a percentage of the assets in the client’s account. Capital pays Schwab the participation fee for so long as the referred client’s account remains in custody at Schwab. Participation fees are billed to Capital quarterly and may be increased, decreased or waived by Schwab from time to time. Participation Fees are paid by Capital and not by the client. Capital does not charge clients referred through the Service fees or costs greater than the fees or costs Capital charges clients with similar portfolios who were not referred through the Service.

Capital generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client’s account is not maintained by, or assets in the account are transferred from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab custody fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees Capital generally would pay in a single year. Thus, Capital will have an incentive to recommend that client accounts be held in custody at Schwab.

The Participation and Non-Schwab custody fees will be based on assets in accounts of Capital’s clients who were referred by Schwab and those referred clients’ family members living in the same household. Thus, Capital will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts at Schwab.

For accounts of Capital's client's maintained in custody at Schwab, Schwab generally does not charge the client separately for custody but receives compensation from the client in the form of commissions or other transaction-related compensation on securities trades Schwab executes for the client's account. Clients also pay Schwab a fee for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other Broker-Dealers are in addition to the other broker-dealer's fees. Thus, Capital may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. Nevertheless, Capital acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for Capital's other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

### **Brokerage for Client Referrals – RBC Dain Rauscher (Wrap Fee Program)**

Capital receives client referrals from RBC Dain Rauscher (RBC) through Capital's participation in Managed Accounts Program (MAP). MAP is designed to help investors find an independent investment advisor. For its investment advisory services rendered by Capital on behalf of MAP client, Capital shall receive a fee equal to 0.50% (50 basis points) annually of the asset value of such MAP clients account. Statements are sent to MAP clients by RBC as directed by each MAP client in their client services agreement. Capital shall effect securities transactions through RBC, subject to Capital's duty to seek best execution.

### **Client Directed Brokerage**

Clients may come to Capital with an existing brokerage relationship and direct Capital to execute their trades through that Broker. This brokerage direction must be requested by the client in writing. In that case, the client will negotiate terms and arrangements for the account with that broker-dealer, and Capital will not seek better execution services or prices from other broker-dealers or be able to "batch" client transactions for execution through other broker-dealers with orders for other accounts managed by Capital. By directing brokerage, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Not all advisers require or allow their clients to direct brokerage. Subject to its duty of best execution, Capital may decline a client's request to direct brokerage if, in Capital's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

### **Directed Brokerage and Other Economic Benefits**

Capital shall generally recommend that portfolio management clients establish brokerage accounts with Schwab or Fidelity, both FINRA-registered broker-dealers, members SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Capital is independently owned and operated and not affiliated with Schwab or Fidelity.



## Directed Brokerage and Other Economic Benefits – Schwab

Schwab provides Capital with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets is maintained in accounts at Schwab Institutional, *are not otherwise contingent upon Capital committing to Schwab any specific amount of business (assets in custody or trading)*. Schwab's services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For Capital's client accounts maintained in its custody, Schwab generally does not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts. The brokerage commissions and/or transaction fees charged by Schwab or any other designated broker-dealer are exclusive of and in addition to Capital's fees.

Capital may receive from Schwab, at no cost, products and services enabling Capital to better monitor client accounts maintained at Schwab and intended to help Capital manage and further develop its business enterprise. Many of these services generally may be used to service all or a substantial number of Capital's accounts, including accounts not maintained at Schwab. Capital may receive this support without cost because of the portfolio management services rendered to clients that maintain assets at Schwab. The support provided may benefit Capital, but not its clients directly.

The support includes software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of Capital's fees from its clients' accounts; and assist with back-office functions, recordkeeping and client reporting. These services may also include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services rendered to Capital by independent third parties.

In fulfilling its duties to its clients, Capital endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Capital's receipt of economic benefits from a broker-dealer may create a conflict of interest since these benefits may influence Capital's choice of broker-dealer over another broker-dealer that does not furnish similar services, software and systems support.

While as a fiduciary, Capital endeavors to act in its clients' best interests, and Capital's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to Capital of the availability of some of the foregoing products and

services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

Generally speaking, all of Capital's clients benefit from research services which may be provided to Capital by the brokers and dealers who effect transactions for Capital's client accounts. Not all such research services, however, may be used by Capital in connection with the client accounts that paid commissions to the brokers or dealers providing such research services. In addition, instances may arise where (a) research services obtained in connection with transactions effected for a particular client's account benefit other clients of Capital, or (b) not all research services may be used by Capital after payment of commissions by clients. Capital's receipt of research services from brokers and dealers who effect transactions for Capital's client accounts does not reduce Capital's customary research activities.

### **Directed Brokerage and Other Economic Benefits – Fidelity**

Capital shall receive additional compensation from Fidelity based on revenue from the sale of funds through Fidelity. This relationship may create a conflict of interest as Capital would benefit more by recommending certain funds for clients. Moreover, in fulfilling its duties to its clients, Capital endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Capital's receipt of additional compensation from Fidelity creates a conflict of interest since this benefit may influence the Capital's choice of broker-dealer over another broker-dealer that does not furnish similar benefits

Capital has entered into an Investment Advisor Custodial Support Services Agreement with Fidelity by which Capital has agreed to provide to Fidelity certain back office, administrative, custodial support and clerical services and in consideration for these services, Fidelity has agreed to pay Capital a fee on specified assets – namely NTF mutual fund assets (other than Fidelity mutual funds) in custody with Fidelity and held in specified account registrations. The services that Capital has agreed to provide include the following: clerical and ministerial assistance in opening client accounts, clerical and ministerial assistance in maintaining client accounts and facilitating asset transfers and money movement directed by a client, clerical and ministerial assistance in reconciling and assisting in updating of client account information, clerical and ministerial assistance in connection with customer inquiries and account information research, clerical and ministerial assistance to clients in connection with the use of brokerage services such as periodic investment plans, periodic withdrawal plans, and check writing privileges, promptly notifying Fidelity in writing of any written customer complaint relating to Fidelity's services and other shareholder services as the parties may agree in writing from time to time.

### **Directed Brokerage – Best Execution**

The commissions paid by Capital's clients shall comply with Capital's duty to obtain "best execution." However, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Capital determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the

determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while Capital will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

As described above, if a client does not have an existing relationship with a Broker, Capital may suggest the use of and request the client to authorize discretion on an account established through a variety of brokerage firms.

In the case where a client has not directed his account to a specific Broker and Capital has discretion to direct the account, Capital negotiates brokerage fees on a case-by-case basis. Any negotiated discount is dependent upon the value of the services provided by the Broker and transaction execution. Capital does not adhere to any fixed guideline or formula in this regard. Capital does not transact brokerage business based solely upon negotiated discount but also any discount negotiated is relative to the value of services provided. The clients of Capital may pay commissions higher than those obtainable from other Brokers as a result of this analysis.

Capital's fundamental policy is to seek for its clients what, in its judgment, will be the best overall execution of purchase or sale orders and most favorable net prices in securities transactions consistent with its judgment as to the business qualifications of the various broker or dealer firms with which Capital may do business. Decisions with respect to the market in which the transaction is to be completed, the form of transaction, and the allocation of orders among brokers or dealers are made in accordance with this policy.

With respect to any brokerage commissions charged by executing broker dealers, for investment management accounts, Capital will continually review the commission charges to ensure they are reasonable within the current market place. As permitted by law, and specifically by the provisions of Section 28 (e) of the Securities Exchange Act of 1934, the amount of commission paid for by each client for a transaction placed by Capital may be higher than the cost if executed by an alternative broker/dealer. In such cases, Capital will use its best efforts to determine that the higher commissions are reasonable in relation to the value of the brokerage and research services provided by the executing broker-dealer viewed in terms of either a particular transaction or Capital's overall responsibilities to its other clients.

As described above specific Brokers may make referrals to Capital. In the event a specific Broker directs a client to Capital, the client generally elects to remain with that Broker. However, it is the client's election and typically the client has already negotiated their commission rate with that Broker. However, if requested, Capital will negotiate the commission

Because Capital may receive the benefit of referrals from such Brokers, clients may wish to satisfy themselves that the Broker executing the trades is offering adequate price and execution of transactions. Also, as a result of the client's direction to execute

trades through a specific Broker, the client may pay commissions higher than obtainable from other Brokers.

### **Directed Brokerage – Wrap Fee Programs**

As disclosed in Item 4, clients may participate in wrap fee programs. In evaluating a wrap-fee program, a client should recognize that brokerage commissions for the execution of transactions in their account are not negotiated. Transactions are effected net, i.e., without commission and a portion of the wrap fee is generally considered to be in lieu of commissions. Trades are generally expected to be executed only with the broker dealer with which the client has entered into the wrap fee arrangement.

Capital may not, therefore, be free to seek best price and execution by placing transactions with other broker dealers. Tanner's experience indicates that certain broker dealers under clients' wrap fee agreements generally offer best price for transactions in listed equity securities, but no assurance can be given that such will continue to be the case with those or other broker dealers which may offer wrap fee arrangements, nor with respect to transactions in other types of securities. The client may wish to ensure that the broker dealer offering the wrap-fee arrangement can provide adequate price and execution of most or all transactions. The client should also consider that depending on the wrap-fee charged by the broker dealer, the amount of portfolio activity in the client's account, the value of custodial and other services which are provided under the arrangement, and other factors, the wrap-fee may or may not exceed the aggregate cost of such services were they to be provided separately and if the firm were free to negotiate commissions and seek best price and execution of transactions for the client's account.

## **Item 13: Review of Accounts**

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### **Reviews**

Capital's Investment and Research Committee is comprised of Keith C. Goddard, President, Chief Executive Officer, and Chief Investment Officer; Channing S. Smith, Managing Director; Monty L. Butts, Managing Director; and John J. Hastings, Vice President. The Committee meets regularly to discuss overall firm investment philosophy, securities research and selection. Andy Brown, Managing Director; Jamie L. Wilson, Vice President and Chief Compliance Officer; Mark A. Symm, Vice President; Jonathan D. Althage, Vice President; Debra L. Konieczny, Vice President; and Eric M. Cannon, Vice President provide the Committee with input and commentary.

Client account information, including quantities and values of securities held, costs and the amounts of cash and cash equivalents for each client, is maintained in Capital's portfolio accounting system. The information is screened for unusual trends, including but not limited to: changes in weighting of holdings, cash positions and/or style shifts. Accounts which vary from normal ranges are reviewed in more detail for possible rebalancing. Typically, client portfolios with similar investment objectives are reviewed

as a group on an on-going basis and will be reviewed as a matter of practice rather than pursuant to a triggering factor.

The Committee and/or Portfolio Managers also consider, when reviewing an individual account, such things as goals, tax concerns, and needed yield. In addition, each client account is reviewed periodically for compliance with the investment policies, suitability of investments and client investment objectives. Other factors that would trigger a more frequent review are material market events or changes in a client's personal situation. Clients are obligated to promptly notify Capital of any changes in the client's financial status to ensure that investment strategies continue to meet the client's changing needs.

### **Review Triggers**

Other conditions that may trigger a review are changes in market, political or economic conditions, tax laws, new investment information, and changes in a client's own situation.

### **Reporting**

Clients also receive quarterly account statements from qualified brokers / custodians, and may also receive trade confirmations and monthly statements. Statements may include individual holdings, cost basis information, deposits and withdrawals, accrued income, dividends, and performance.

Clients receive annual statements from Capital.

## **Item 14: Client Referrals and Other Compensation**

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### **Other Compensation**

Capital does not receive any formal economic benefits (other than normal compensation) from any firm or individual for providing investment advice.

### **Other Compensation – Brokerage Arrangements**

See disclosure in Item 12 regarding compensation, including economic benefits received in connection with giving advice to clients.

### **Compensation – Client Referrals – Solicitation Arrangements**

Capital may enter into written arrangements to pay cash referral fees to individuals or companies (solicitors) who refer prospective clients to the Firm. There will be a written agreement between Capital and the solicitor, which will clearly define the duties and responsibilities of the solicitor under this arrangement. In addition, each solicitor is required to provide a written disclosure document, which explains to the prospective client the terms and compensation structure under which the solicitor is working with Capital. The solicitor is also required to furnish a copy of Capital's Form ADV Part 2 to

the prospective client and obtain a written acknowledgement from the client that both the solicitor's disclosure document and Capital's Form ADV Part 2 have been received.

## **Item 15: Custody**

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### **Custody – Fee Debiting**

Clients may authorize Capital (in the client agreement) to debit fees directly from the client's account at the broker dealer, bank or other qualified custodian (custodian). With the exception of the ability to debit client account for advisory fees, Capital does not and will not have custody of clients' funds or securities. Client investment assets will be held with a custodian agreed upon by the client and Capital. The custodian is advised in writing of the limitation of Capital's access to the account. The custodian sends a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of advisory fees paid directly to Capital.

### **Custody – Account Statements**

As described above and in Item 13, clients receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Clients are urged to carefully review such statements and compare such official custodial records to the account statements or other reports that Capital provides. Capital's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 16: Investment Discretion**

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Through the investment advisory agreement, Capital may accept limited power of attorney to act on a discretionary basis on behalf of clients. A limited power of attorney allows Capital to execute trades on behalf of clients.

When such limited powers exist between the Capital and the client, Capital has the authority to determine, without obtaining specific client consent, both the amount and type of securities to be bought to satisfy client account objectives. Additionally, Capital may accept any reasonable limitation or restriction to such authority on the account placed by the client. All limitations and restrictions placed on accounts must be presented to Capital in writing.

If Capital has not been given discretionary authority, Capital consults with the client prior to each trade.

## Item 17: Voting Client Securities

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Capital votes proxies for securities over which it maintains discretionary authority consistent with its proxy voting policy.

Capital acts as a discretionary investment adviser for various clients, including clients governed by the Employee Retirement Income Security Act of 1974 (ERISA) and registered open-end investment companies (mutual funds).

Capital's authority to vote proxies or act with respect to other shareholder actions is established through the delegation of discretionary authority under our investment advisory agreements. Therefore, unless a client (including a named fiduciary under ERISA) specifically reserves the right, in writing, to vote its own proxies or to take shareholder action with respect to other corporate actions requiring shareholder actions, Capital will vote all proxies and act on all other actions in a timely manner as part of its full discretionary authority over client assets in accordance with these Policies and Procedures. All proxies received by Capital are voted in a timely manner and in a manner consistent with Capital's determination of the client's best interests. Clients can obtain a copy of Capital's proxy voting policies and procedures and information about proxy voting decisions by contacting Jamie Wilson at 918.599.0045.

## Item 18: Financial Information

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Capital has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Capital is not required to provide a balance sheet; Capital does not require prepayment of fees of both more than \$1,200 per client, and more than six months in advance.

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**Capital Advisors, Inc.**  
**Form ADV Part 2B**  
**Investment Adviser Brochure Supplement**

**Supervisor: Keith C. Goddard**

**Supervisor of:**

Lori A. Smith  
G. Andy Brown  
Monty L. Butts  
Jamie L. Wilson  
Channing S. Smith  
Mark A. Symm  
Jonathan D. Althage  
Debra L. Konieczny  
David A. Cole  
John Hastings  
Eric M. Cannon

**March 2012**

This brochure supplement provides information about the Firm's Supervised Persons that supplements the Capital Advisors, Inc.'s brochure. You should have received a copy of that brochure. Please contact Jamie Wilson, Chief Compliance Officer at 918.599.0045 and/or [jwilson@capitaladv.com](mailto:jwilson@capitaladv.com), if you did not receive Capital Advisors, Inc.'s brochure or if you have any questions about the contents of this supplement.

Additional information about the Firm's Supervised Persons is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

2200 South Utica Place, Suite 150  
Tulsa, OK 74114  
918.599.0045  
[jwilson@capitaladv.com](mailto:jwilson@capitaladv.com)  
[www.capitaladv.com](http://www.capitaladv.com)

## Educational Background and Business Experience

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### Education and Business Background

Capital requires a college degree and/or extensive experience in providing advisory services as a minimum standard for professionals.

### Supervised Persons

***Keith C. Goddard***

Born 1968

### Business Background:

Capital Advisors, Inc. 1991 to Present  
President, Chief Executive Officer, and Chief Investment Officer

### Education:

University of Colorado, BA

### Professional Designations and Licenses:

Chartered Financial Analyst  
Investment Adviser Representative  
General Securities Representative  
Options Principal

***Lori A. Smith***

Born 1954

### Business Background:

Capital Advisors, Inc. 1979 to Present  
Chief Financial Officer and Managing Director

### Education:

University of Oklahoma

### Professional Designations and Licenses:

Investment Adviser Representative  
General Securities Representative  
General Securities Principal  
Financial and Operations Principal  
Options Principal  
Municipal Principal

***G. Andy Brown***

Born 1973

**Business Background:**

Capital Advisors, Inc.  
Managing Director

2001 to Present

U.S. Bancorp Piper Jaffrey  
Investment Executive

1999 to 2001

Dain Rauscher, Inc.  
Investment Executive

1996 to 1999

**Education:**

University of Tulsa, BA

**Professional Designations and Licenses:**

Investment Adviser Representative  
General Securities Representative  
Life-Health-Variable Insurance – State of Oklahoma

***Monty L. Butts***

Born 1943

**Business Background:**

Capital Advisors, Inc.  
Managing Director  
Director of Fixed Income, and Portfolio Manager

1988 to Present

Bank of Oklahoma, N.A.  
Vice President, Public Finance, Fixed Income Sales

1976 to 1988

**Education:**

Oklahoma State University

**Professional Designations and Licenses:**

Investment Adviser Representative  
General Securities Representative  
Municipal Principal

***Jamie L. Wilson***

Born 1969

**Business Background:**

Capital Advisors, Inc. 2003 to Present  
Vice President, Trading & Operations/Portfolio Administration  
Chief Compliance Officer

Gibraltar Capital Management, Inc. 2002 to 2003  
Assistant Portfolio Manager

Arvest Asset Management 2001 to 2002  
Trust Investment Assistant

Salomon Smith Barney 1998 to 2000  
Registered Sales Assistant

Houchin, Adamson 1990 to 1998  
Registered Sales Assistant

**Education:**

Northeastern State University, BBA

**Professional Designations and Licenses:**

Investment Adviser Representative  
General Securities Representative

***Channing Stice Smith***

Born 1976

**Business Background:**

Capital Advisors, Inc. 2004 to Present  
Managing Director, Equity Research

Technology Services Group 2001 to 2002  
Business / Technical Analyst

Waterstone Consulting 1999 to 2001  
Certified SAP Sales and Distribution Consultant

**Education:**

University of Indiana, BA  
Southern Methodist University, MBA

**Professional Designations and Licenses:**

Chartered Financial Analyst

***Mark A. Symm***

Born 1974

**Business Background:**

Capital Advisors, Inc.  
Vice President, Client Service

2005 to Present

Charles Schwab & Co.  
Investment Adviser Representative

1999 to 2004

Olde Discount Broker  
Registered Representative

1997 to 1999

**Education:**

Texas A&M University, BBA

**Professional Designations and Licenses:**

Investment Adviser Representative  
General Securities Representative

***Jonathan D. Althage***

Born 1983

**Business Background:**

Capital Advisors, Inc.  
Assistant Vice President

2010 to Present

LPL Financial Corp.  
Portfolio Manager

2010

Smith, Moore & Co.  
Account Executive

2008 to 2010

A.G. Edwards & Sons, Inc.  
Financial Associate

2006 to 2008

**Education:**

University of Missouri, BS

**Professional Designations:**

Investment Adviser Representative  
General Securities Representative

***Debra L. Konieczny***

Born 1958

**Business Background:**

Capital Advisors, Inc. 2011 to Present  
Vice President

Mass Mutual 2008 to 2011  
Principal / Agency Supervisory Officer

Edward Jones Investments, Inc. 2004 to 2008  
Financial Investment Advisor

**Education:**

College for Financial Planning, Certified Financial Planner Course

**Professional Designations:**

Investment Adviser Representative  
General Securities Representative  
General Securities Principal  
Municipal Principal  
Accredited Asset Management Specialist (AAMS®)  
Life-Health-Variable Insurance – State of Oklahoma

***John J. Hastings***

Born 1982

**Business Background:**

Capital Advisors, Inc. 2011 to Present  
Vice President – Institutional Markets

Permal Asset Management 2005 to 2011  
Senior Financial Analyst

**Education:**

University of Notre Dame, BBA 2005

***Eric M. Cannon***

Born 1974

**Business Background:**

Capital Advisors, Inc. 2012 to Present  
Vice President

Stifel, Nicolaus & Co 2008 to 2012  
Vice President – Institutional Equity Sales Trader

Jefferies & Co. 2000 to 2008  
OTC Market Maker & Institutional Equity Sales Trader

George K. Baum & Co 1998 to 2000  
Listed Equity & Options Trader

UMB Bank – Investment Banking Division 1997 to 1998  
Financial Analyst-Fixed Income

**Education:**

University of Tulsa, MBA  
University of South Alabama, BS - Business Marketing

**Professional Designations:**

General Securities Representative  
Equity Trader Limited Representative

***David A. Cole***

Born 1943

**Business Background:**

Capital Advisors, Inc. 2012 to Present  
Investment Adviser Representative

Southwest Financial Services, LLC 2005 to 2012  
Managing Member

**Education:**

University of Tulsa, B.S.B.A. - Accounting

**Professional Certifications**

Capital's supervised persons maintain professional designations, which required the following minimum requirements:

## **CFA - Chartered Financial Analyst**

**Issued by:** CFA Institute

**Prerequisites/Experience Required:** Candidate must meet one of the following requirements:

- Undergraduate degree and 4 years of professional experience involving investment decision-making, or
- 4 years qualified work experience (full time, but not necessarily investment related)

**Educational Requirements:** Self-study program (250 hours of study for each of the 3 levels)

**Examination Type:** 3 course exams

**Continuing Education/Experience Requirements:** None

## **CFP - Certified Financial Planner**

**Issued by:** Certified Financial Planner Board of Standards, Inc.

**Prerequisites/Experience Required:** Candidate must meet the following requirements:

- A bachelor's degree (or higher) from an accredited college or university, and
- 3 years of full-time personal financial planning experience

**Educational Requirements:** Candidate must complete a CFP-board registered program, or hold one of the following:

- CPA
- ChFC
- Chartered Life Underwriter (CLU)
- CFA
- Ph.D. in business or economics
- Doctor of Business Administration
- Attorney's License

**Examination Type:** CFP Certification Examination

**Continuing Education/Experience Requirements:** 30 hours every 2 years



## **AAMS® - Accredited Asset Management Specialist<sup>SM</sup>**

**Issued by:** College of Financial Planning

**Prerequisites/Experience Required:** None

**Educational Requirements:** Candidate must complete the following:

- Complete 12-module AAMS® Professional Education Program
- Pass end-of-course examination
- Adhere to Standards of Professional Conduct

**Examination Type:** End-of-course examination

**Continuing Education/Experience Requirements:** 16 hours every 2 years

## **Disciplinary Information**

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Neither Capital nor any Supervised Persons have been involved in any activities resulting in a disciplinary disclosure.

## **Other Business Activities**

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Disclosure on Outside Business Activities is provided in Form ADV Part 2A Item 10 – Other Financial Industry Activities and Affiliations above. These Outside Business Activities do not create a material conflict of interest with clients.

As disclosed in Form ADV Part 2A, Item 5, neither Capital nor any supervised persons receive commissions, bonuses or other compensation based on the sale of securities or other investment products.

Several of Capital's Supervised Persons are actively engaged in other Outside Business Activities.

Keith C. Goddard is the President and Director, as well as a Registered Representative of Minshall & Company, Inc., a wholly owned FINRA registered broker-dealer subsidiary of Capital Advisors, Inc., which occasionally participates in securities transactions. Approximately 10% of his time is spent on this activity. He is also the Managing Member and Sale Member of Conejos, LLC which owns a working interest in oil gas wells. He spends less than 5% of his time on this activity.

Lori A. Smith is the Senior Vice President and Director, as well as a Registered Representative of Minshall & Company, Inc., a wholly owned FINRA registered broker-dealer subsidiary of Capital Advisors, Inc., which occasionally participates in securities transactions. No more than 10% of her time is spent on this activity.

George (Andy) Brown is a Registered Representative of Minshall & Company, Inc., a wholly owned FINRA registered broker-dealer subsidiary of Capital Advisors, Inc., which occasionally participates in securities transactions. Nor more than 10% of his time is spent on this activity.

Monty L. Butts is the Vice President and Director, as well as a Registered Representative of Minshall & Company, Inc., a wholly owned FINRA registered broker-dealer subsidiary of Capital Advisors, Inc., which occasionally participates in securities transactions. Nor more than 10% of his time is spent on this activity. He is also the Director of First National Bank of Broken Arrow in Broken Arrow, OK. He spends less than 15% of his time on this activity.

Jamie L. Wilson, Jonathan D. Althage, Debra Konieczny and Mark A. Symm are Registered Representatives of Minshall & Company, Inc., a wholly owned FINRA registered broker-dealer subsidiary of Capital Advisors, Inc., which occasionally participates in securities transactions. No more than 10% of their time is spent on this activity.

Andy Brown and Debra L. Konieczny are licensed agents of Capital Advisors Insurance, LLC and occasionally participate in life and health insurance transactions in the State of Oklahoma.

## **Additional Compensation**

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No Supervised Person receives any economic benefit outside of regular salaries or bonuses related to amount of sales, client referrals or new accounts.

## **Supervision**

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Keith C. Goddard, President, Chief Executive Officer, and Chief Investment Officer, supervises all persons named in this Form ADV Part 2 Investment Adviser Brochure Supplement. Keith C. Goddard supervises these persons by holding regular staff, investment and other ad hoc meetings. In addition, Keith C. Goddard regularly reviews client reports, emails, and trading, as well as employees' personal securities transaction and holdings reports. Keith C. Goddard may be reached at 918.599.0045.