

Mainstay Capital Management, LLC  
Part 2A of Form ADV  
Firm Brochure  
10/09/2012

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This brochure provides information about the qualifications and business practices of Mainstay Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at (866) 444-6246. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Mainstay Capital Management also is available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov). You can also search using the firm's CRD number 109528.

Mainstay Capital Management is a Registered Investment Advisor with the SEC. This registration does not imply a certain level of skill or training.

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**Item 2. Material Changes**

There have been no material changes since this brochure was last updated on 03/30/2011.

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**Item 4. Advisory Business**

Introduction

Mainstay Capital Management, LLC (“MCM”) is an independent, fee-only, investment advisor registered with the United States Securities and Exchange Commission (“SEC”) and is a limited liability company formed under the laws of the State of Michigan. MCM has been registered with the SEC since November 14, 2000. David Kudla is the principal owner and CEO of the firm. As of 12/31/2011, Mainstay Capital Management manages approximately \$1,047,680,000 on a discretionary basis. Mainstay Capital Management does not manage any assets on a non-discretionary basis.

Mainstay Capital Management is a full service wealth manager providing comprehensive financial planning as well as management of 401(k), 403(b), IRA, and non-retirement accounts. We specialize in the management of workplace savings plan accounts as part of our overall wealth management solution. MCM was founded to help investors who do not have the time or inclination to give their retirement savings accounts and other investments the thorough research and analysis they require. Through our portfolio development and management process, MCM takes full advantage of the investment options available in a client’s 401(k), 403(b), IRA, or other type of managed account to meet his or her long-term goals and tolerance for risk. Additionally, with our staff of Certified Financial Planners<sup>TM</sup> and Chartered Retirement Planning Counselors<sup>SM</sup>, Mainstay Capital Management can offer counsel and develop comprehensive solutions for any financial aspect of a client’s life. Unlike many other firms, MCM has no ties to, nor receives commissions or compensation from any broker, mutual fund company, banking institution, or insurance company. We offer truly unbiased, objective investment advice with only our clients’ best interests in mind.

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Advisory Services Offered

*Mainstay 401(k) Portfolio Management*

Mainstay Capital Management specializes in retirement planning and the management of individual 401(k) accounts for employees and retirees of General Motors, Ford, Chrysler, Delphi, Visteon, Allison Transmission, Inteva Products, Nexteer, Rolls Royce, and UAW International, among other companies. With this portfolio management service, MCM monitors a client's individual 401(k) portfolio. Based on the client's objectives and risk tolerance, MCM will make asset allocation changes to the client's 401(k) account on the client's behalf. This service is provided on a discretionary basis, however MCM is limited to the investment options and the transactions available within the individual's 401(k) plan. This service is also provided for individual accounts in other specific 401(k), 403(b), and 457 plans within our *Mainstay Wealth Management* portfolio services described below.

*Mainstay Wealth Management*

Mainstay Capital Management offers comprehensive portfolio management for IRA's, annuities, and non-retirement accounts. MCM develops a portfolio and asset allocation strategy to meet our client's individual needs and tolerance for risk. We use a tactical asset allocation approach in our ongoing management of a client's portfolio. As we anticipate changes in market conditions, we shift the asset mix and specific investments to maximize opportunities and manage downside risk. MCM screens mutual funds, ETFs, stocks, bonds, and other securities to find the combination of investment options we feel works best at meeting the objectives of our clients' portfolios. This service is provided on a discretionary basis. It also applies to 401(k), 403(b), and 457 accounts not included in *Mainstay's 401(k) Portfolio Management* service described above.

*Financial Planning Services*

Mainstay Capital Management provides comprehensive financial advice. Clients utilizing this service receive a written financial plan, providing the client with a detailed roadmap designed to achieve their stated financial goals and objectives. While the specific categories to be reviewed are determined based on the client's individual financial situation, categories for review may include the following:

- *Retirement Planning* - Develop a comprehensive retirement income and investment plan including expenses and sources of retirement income (i.e. pension, Social Security, investments).
- *Employee Buyout Offer Evaluation* - Assist client in analysis, evaluation, and scenario planning relative to an early retirement incentive from their employer. Integrate this into the client's overall retirement plan.
- *Estate Planning* - Assist clients and their attorneys with wills and other estate planning documents and arrangements. Make recommendations and assist others in recommendations that minimize the tax consequences and maximize efficient disposition of a client's estate within the constraints of a client's plans and goals. All legal fees from third parties will be borne by client.
- *Mortgage/Debt Optimization* - Counsel client on optimal methods to address mortgage and other debt obligations.
- *Budgeting/Cash Optimization* - Advise client on optimal allocation of savings among checking, cash reserves, and investment accounts.
- *Insurance Counseling* - Counsel and advise client on current insurance policies and needs.

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- *Tax Planning* - Consideration for tax impact on investments and retirement income planning (i.e. Roth IRA versus Traditional IRA, tax efficient investing, etc.). However, MCM does not provide tax or legal advice and the client shall rely solely on their own accounting firm, law firm, or tax preparer for such advice.

MCM gathers required information through personal interviews, including a questionnaire completed by the client. Financial planning is designed to maximize the client's existing financial resources and then formulate financial strategies on how to achieve a client's goals. MCM generally does not charge for our financial planning services, however a \$500 fee may be charged, discounted, or waived at MCM's discretion.

*Seminars*

MCM sponsors educational seminars on various investment topics. The investment information provided under this service does not purport to meet the objectives or needs of each individual client or prospective client. The seminars cover topics such as asset allocation strategies, investing for retirement, managing portfolio risk, and general educational topics. MCM seminars are open to corporate employees, retirees, and the general public at no charge.

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## Item 5. Fees and Compensation

### Fee Schedules

#### *Mainstay 401(k) Portfolio Management*

This fee schedule applies only to the General Motors, Ford, Chrysler, Delphi, Visteon, Allison Transmission, Inteva Products, Nexteer, Rolls Royce, and UAW International 401(k) plans. The annual fee charged for investment advisory services is based on a percentage of assets under management as follows:

<u>Assets Managed</u>	<u>MCM Annual Fee</u>
on account assets under \$50,000.00	\$496.00 (\$124.00 quarterly)
on account assets from \$50,000.01 to \$150,000.00 (next \$100,000)	0.40% (0.1000% quarterly)
on account assets from \$150,000.01 to \$250,000.00 (next \$100,000)	0.30% (0.0750% quarterly)
on account assets from \$250,000.01 to \$500,000.00 (next \$250,000)	0.25% (0.0625% quarterly)
on account assets from \$500,000.01 to \$1,000,000.00 (next \$500,000)	0.20% (0.0500% quarterly)
on account assets from \$1,000,000.01 to \$3,000,000.00 (next \$2,000,000)	0.15% (0.0375% quarterly)
on account assets in excess of \$3,000,000.01	Negotiable

Note: An annual \$496 minimum fee applies and a \$25 per quarter administration fee may be charged if managing more than one 401(k) plan account for an individual.

#### *Mainstay Wealth Management*

The annual fee charged for investment advisory services is based on a percentage of assets under management as follows:

<u>Assets Managed</u>	<u>MCM Annual Fee</u>
on account assets under \$200,000.00	1.30% (0.3250% qtrly or \$195 min)
on account assets from \$200,000.01 to \$500,000.00 (next \$300,000)	1.00% (0.2500% quarterly)
on account assets from \$500,000.01 to \$1,000,000.00 (next \$500,000)	0.70% (0.1750% quarterly)
on account assets from \$1,000,000.01 to \$3,000,000.00 (next \$2,000,000)	0.50% (0.1250% quarterly)
on account assets from \$3,000,000.01 to \$10,000,000.00 (next \$7,000,000)	0.25% (0.0625% quarterly)
on account assets in excess of \$10,000,000.01	Negotiable

Note: An annual \$780 minimum fee applies and a quarterly administration fee of \$50 may be charged if assets are held in more than one account.

Fees for all accounts are payable quarterly in arrears based on the asset valuation on the last business day of the current calendar quarter. MCM charges an initial \$300 account set-up fee, which may be discounted at MCM's discretion. Clients requesting profile changes in excess of two times in a three year period may be charged a \$200 administration fee at MCM's discretion. Minimum account size is \$200,000 for the *Mainstay Wealth Management* service. In certain circumstances, all fees and account minimums may be negotiable.

MCM's fees will vary among clients depending on a client's particular circumstances, including length of a client's relationship, different fee schedules over time, and the amount of portfolio assets. Also MCM may from time to time waive, reduce, or adjust a client's quarterly fee depending on a client's particular

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circumstances, including accounting for the addition or withdrawal of account assets or funds. Generally, MCM's advisory fees are charged and prorated based upon the commencement or termination of a client's relationship with MCM.

Deduction of Fees

The client authorizes MCM to charge MCM's quarterly advisory fees to client's designated credit card or to withdraw the fees from a client custodial account. MCM will send the client a quarterly statement showing the amount of the advisory fee, portfolio value, and the fee schedule used for calculation of the fee. Clients should verify the fee calculation because neither credit card companies nor custodians perform this function. Credit card statements or statements from the custodian will reflect the payment of advisory fees. If fees are not automatically charged to client's credit card or withdrawn from a client account, the client agrees to make payment within fifteen (15) days of receipt of an invoice. If payment is not made within sixty (60) days of invoice, MCM may elect to terminate its portfolio management services under this agreement.

Other Types of Fees

All fees paid to MCM for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders. These fees and expenses are described in each fund's and ETF's prospectus. These fees will generally include management fee, other fund expenses, and a possible distribution fee. If a mutual fund also imposes a sales charge, a client may pay an initial or deferred sales charge.

**Item 6. Performance-Based Fees and Side-By-Side Management**

The term "Side-by-Side Management" refers to multiple client relationships where an advisor manages advisory client relationships and portfolios on a simultaneous basis for individuals, businesses, institutions, and mutual funds and/or hedge funds. In such circumstances, potential conflicts of interest may arise by and between the clients and the mutual and hedge funds, e.g., performance fee arrangements. Mainstay Capital Management does not have these types of relationships, therefore MCM does not have Side-By-Side Management potential or actual conflicts of interests.

Mainstay Capital Management has not in the past, and currently does not, manage any client relationships for mutual funds or hedge funds or charge any performance fees.

**Item 7. Types of Clients**

Mainstay Capital Management manages investment portfolios primarily for individuals. A portion of our assets under management consist of trust and corporate accounts, managed on behalf of individual clients.

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

Mainstay Capital Management offers several investment strategies, ranging from ultra conservative to ultra aggressive. Investment strategies differ depending on the service offered and the investment and fund selections available within each offering. While MCM primarily uses open-end mutual funds, ETFs, and other individual securities to implement its investment strategies, MCM may provide advice or invest in all types of exchange-traded securities.

*Methods of Analysis*

Our firm employs fundamental, technical, and/or cyclical analysis to formulate client recommendations. Fundamental analysis of a business involves analyzing its income statement, financial statements and health, its management and competitive advantages, and its competitors and markets. Fundamental analysis school of thought maintains that markets may mis-price a security in the short run but that the "correct" price will eventually be reached. Profits can be made by trading the mis-priced security and then waiting for the market to recognize its "mistake" and re-price the security. However, unforeseen market conditions and/or company developments may result in significant price fluctuations that can lead to investor losses.

Technical analysis seeks to identify price patterns and trends in financial markets and attempt to exploit those patterns. We follow and examine such indicators as price, volume, moving averages of the price and market sentiment. Since technical analysis predictions are only extrapolations from historical price patterns, investors bear risk that these patterns will not reoccur as expected.

Cyclical analysis concentrates on business cycles as well as asset market cycles, examining alternating phases of rises (expansion) and falls (contraction) in volumes, prices and returns. Since cyclical analysis is based on examination of rising and falling trends, investors bear risk of mis-timing, with a specific trend lasting longer or shorter than expected.

Quantitative analysis: We use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data.

A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

Qualitative analysis: We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data.

A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

Asset Allocation: Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change



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over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Mutual fund and/or ETF analysis: We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in other funds in the client's portfolio. We monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to continue or replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the fund or ETF less appropriate for the client's portfolio.

Risks for all forms of analysis: Our securities analysis methods rely on the assumption that the companies whose securities we recommend, purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are aware that indications, reporting or data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

### *Investment Strategies*

We also use the following strategies in managing client portfolios:

Long-term purchases: We purchase securities with the idea of holding them in a client's portfolio for a year or longer. We may do this because we believe the securities to be currently undervalued. We may do this because we want exposure to a particular asset class over time, regardless of the current projection for this asset class or security.

A risk in a long-term purchase strategy is that, by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases: We may purchase securities with the idea of selling them within a relatively short time (typically a year or less). We may do this in an attempt to take advantage of market conditions that we believe will soon result in a price swing in the securities we purchase.

A risk in a short-term purchase strategy is that, should the anticipated price swing not materialize, we are left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

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Margin transactions: We may recommend or utilize margin or borrowing as part of our investment strategies. The use of margin allows for the purchase of securities for one's portfolio with money borrowed from one's brokerage account. This allows one to purchase more stock than would be able to with one's available cash, and would allow MCM to purchase stock without selling other holdings and is therefore a higher risk strategy.

Option writing: We may also use options or option strategies as part of an investment strategy for our clients. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

For all strategies:

Investments in securities are not guaranteed, and clients may lose money on their investments. MCM makes significant efforts and inquiries to help us understand an individual client's tolerance for risk and any changes in their financial objectives and circumstances. MCM also requests that clients notify us of any such changes promptly.

Clients should understand that investing in any securities, including mutual funds, involves a risk of loss of both income and principal.

#### **Item 9. Disciplinary Information**

Mainstay Capital Management has no regulatory, legal, or disciplinary events to disclose.

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

Mainstay Capital Management does not, nor do any of our employees, have any other financial industry activities or affiliations, with the exception of David Kudla. David Kudla is President and Executive Editor of FIA Publishing, LLC, a not-for-profit organization, which publishes the *GM/Delphi 401k Investor* and *Ford/Visteon 401k Investor* newsletters. David Kudla is a contributing writer for *Forbes* and *Dow Jones MarketWatch*. David Kudla serves as the Executive Director for RISE (Redefining Investment Strategy Education), the largest student investment symposium in the world. This is a not-for-profit activity in which Mr. Kudla volunteers his time in an effort to advance the financial services industry to the next generation. David Kudla spends less than 10% of his time on these activities.

MCM believes these activities do not present a material conflict of interest.

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**Item 11. Code of Ethics, Participation/Interest in Client Transactions, & Personal Trading**

Code of Ethics

Honesty and integrity are the hallmarks of Mainstay Capital Management. We maintain the highest standards of ethics and conduct in all of our business and client relationships. As a fiduciary to our clients, we place their interests first and foremost. MCM prides itself on being an independent, fee-only, registered investment advisor, and as such does not recommend commissioned products to our clients, as we believe this presents an inherent conflict of interest.

MCM has adopted a Code of Ethics, which establishes rules of conduct for all employees and is designed to, among other things; govern personal securities trading activities in the accounts of employees. The Code, summarized below, is based upon the principle that MCM and its employees owe a fiduciary duty to MCM's clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid (i) serving their own personal interests ahead of clients, (ii) taking inappropriate advantage of their position with the firm and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

*Compliance with Laws, Rules and Regulations:* MCM expects its employees to comply with all laws, rules and regulations applicable to MCM's operations and business. As a registered investment advisor, we are subject to regulation by the SEC, and compliance with federal, state and local laws. MCM officers insist on strict compliance with the spirit and the letter of these laws and regulations.

*Reporting of Personal Securities Transactions:* Employees are required to report their security holdings initially and annually and report on a quarterly basis any transactions involving a security, with certain limited exceptions, held in their personal accounts. Upon employment and on an annual basis thereafter, employees are required to disclose all personal securities holdings. In addition, MCM requires employees obtain pre-approval of an investment in any IPO or private placement.

*Prohibition against Insider Trading:* No employee may trade, either personally or on behalf of others, while in the possession of material, non-public information, nor may any personnel of MCM communicate material, non-public information to others in violation of the law.

*Protecting the Confidentiality of Client Information:* MCM employees exercise utmost care in maintaining the confidentiality of any non-public information for both our clients and MCM itself, except where disclosure is authorized or legally mandated. The obligation to preserve confidentiality of this information is detailed further in MCM's Privacy Policy and continues after MCM portfolio management services have been discontinued.

*Gifts and Entertainment:* Giving, receiving or soliciting gifts in a business setting may create an appearance of impropriety or may raise a potential conflict of interest. MCM employees may not accept or provide any gifts or favors that might influence the decisions the employee or the recipient must make in developing or delivering investment advice to clients, or that others might reasonably believe would influence those decisions.

*Acknowledgement of Receipt & Violations Reporting:* All employees acknowledge written receipt of the Code of Ethics initially upon employment, on an annual basis, and upon any amendment. MCM

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employees are required to promptly report any internal violation of this Code of Ethics to the MCM Compliance Officer.

A copy of MCM's Code of Ethics is available upon written request.

Interest in Client Transactions & Personal Trading

Although MCM client portfolios consist primarily of open-end mutual funds and ETFs, the following policy applies to any securities which may be held, purchased or sold in client accounts:

MCM or individuals associated with MCM may buy or sell securities identical to or different than those recommended to clients for their personal accounts. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client. It is the expressed policy of MCM that no person employed by MCM may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, and therefore, preventing such employees from benefiting from transactions placed on behalf of advisory accounts.

As these situations represent a conflict of interest, MCM has established the following restrictions in order to ensure its fiduciary responsibilities:

1. MCM maintains records of all securities holdings for itself, and anyone associated with the advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by the MCM Compliance Officer.
2. Clients are informed that MCM individuals will not receive any separate compensation when effecting transactions during the implementation process.

MCM also maintains an Insider Trading Policy that prohibits any person associated with MCM from acting upon or using any information that may be considered material non-public information.

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**Item 12. Brokerage Practices**

Mainstay Capital Management seeks to recommend a custodian/broker who will hold client assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. MCM considers a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for client account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to MCM and our clients
- Availability of other products and services that benefit MCM, as discussed in Item 14.

For the *Mainstay Wealth Management* service, MCM may recommend Charles Schwab & Co., Inc. (“Schwab”), TD Ameritrade Institutional (“TD Ameritrade”), or Fidelity Institutional Wealth Services (“Fidelity”), for custody and brokerage services. However, the client has the authority to determine the custodian and/or broker/dealer and typically directs MCM to use one of the recommended firms. MCM is independently owned and operated and is not affiliated with Schwab, TD Ameritrade, or Fidelity. The recommended firms hold client assets in a separate account and buy and sell securities upon instruction from MCM. While MCM recommends that clients use one of these firms as a custodian, the client will decide whether to do so and will open an account with a recommended firm by entering into an account agreement directly with Schwab, TD Ameritrade, or Fidelity. MCM does not open the account for the client, although MCM may assist the client in doing so. Please see the disclosures under Item 14 for benefits that are received through MCM’s participation in the recommended custodial firms’ brokerage programs. Additional disclosures are provided below specific to each custodian.

*Schwab*

Mainstay Capital Management may recommend that our clients use Charles Schwab & Co., Inc. (“Schwab”), a registered broker-dealer and FINRA/SIPC member, as a qualified custodian. Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab’s business serving independent investment advisory firms like MCM.

*TD Ameritrade*

Mainstay Capital Management participates in the institutional advisor program offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA (“TD Ameritrade”), an unaffiliated SEC-registered broker-dealer and FINRA

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member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions.

*Fidelity*

Mainstay Capital Management has an arrangement with National Financial Services LLC and Fidelity Brokerage Services LLC (collectively, and together with all affiliates, "Fidelity") through which Fidelity provides Mainstay Capital Management with "institutional platform services." The institutional platform services include, among others, brokerage, custody, and other related services.

Trade Error Policy

As a fiduciary, MCM has the responsibility to effect orders correctly, promptly, and in the best interests of our clients. In the event an error occurs in the handling of any client transactions, due to the action or inaction of MCM, or of others, our policy is to seek to identify and correct any errors as promptly as possible without disadvantaging the client or benefiting MCM in any way.

If the error is the responsibility of MCM, any client transaction will be corrected and MCM will be responsible for any client loss resulting from the error. Any gain resulting from an error will be retained by the client.

**Item 13. Review of Accounts**

Review of Accounts

Reviews of client portfolios are conducted daily to assure proper holdings, credits, debits, and related matters. Mainstay Capital Management reviews client accounts in their entirety on a quarterly basis to determine any readjustments of assets according to MCM's applicable asset allocation models. Client portfolios are also reviewed on an informal and periodic basis as needed or requested.

Clients are contacted annually, at minimum, regarding their portfolio and financial situation. Clients have access to MCM's team of advisors for discussions or advice via phone or in-person meetings as often as needed.

Reports to Clients

Clients receive MCM's quarterly reports on the status of their accounts. These reports include information about portfolio positions, balances, changes in account value, and in some cases, account performance. These reports are in addition to custodial/brokerage statements. Clients with managed accounts also receive confirmations of transactions and, at least quarterly, brokerage or custodian account statements reflecting account holdings, activities, and value. In order to ensure that all account transactions, holdings and values are correct and current, we urge clients to compare MCM's statements with the statements you receive directly from your independent brokerage or bank qualified custodian.

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**Item 14. Client Referrals and Other Compensation**

*Schwab*

Schwab provides Mainstay Capital Management and the firm's clients with access to its institutional brokerage platform - trading, custody, reporting, and related services - many of which are not typically available to Schwab retail customers. MCM receives an economic benefit from Schwab in the form of the support products and services it makes available to MCM and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit MCM, and the related conflicts of interest are described below. The availability to MCM of Schwab's products and services is not based on MCM giving particular investment advice, such as buying particular securities for our clients.

Schwab also makes available various support services. Some of those services help MCM manage or administer MCM's clients' accounts, while others help MCM manage and grow the firm's business. Schwab's support services generally are available on an unsolicited basis and at no charge to MCM as long as MCM clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. If MCM clients collectively have less than \$10 million in assets at Schwab, Schwab may charge MCM quarterly service fees of \$1,200. Following is a more detailed description of Schwab's support services:

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which MCM might not otherwise have access or that would require a significantly higher minimum initial investment by MCM clients.

Schwab also makes available to MCM other products and services that benefit MCM but may not directly benefit the client. These products and services assist MCM in managing and administering MCM clients' accounts. They include investment research, both Schwab's own and that of third parties. MCM may use this research to service all or a substantial number of MCM clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of MCM fees from MCM clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

Schwab also offers other services intended to help MCM manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession

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- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to MCM. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees.

The availability of these services from Schwab benefits MCM because MCM does not have to produce or purchase them. MCM does not have to pay for Schwab's services so long as MCM clients collectively keep a total of at least \$10 million of their assets in accounts at Schwab. The \$10 million minimum may give MCM an incentive to recommend that clients maintain accounts with Schwab, based on MCM's interest in receiving Schwab's services that benefit MCM's business rather than based on client interest in receiving the best value in custody services and the most favorable execution of client transactions. This is a potential conflict of interest. MCM believes, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services and not Schwab's services that benefit only MCM. MCM has over \$1 billion in client assets under management, and MCM does not believe that recommending MCM clients to collectively maintain at least \$10 million of those assets at Schwab in order to avoid paying Schwab quarterly service fees presents a material conflict of interest.

*TD Ameritrade*

Mainstay Capital Management participates in TD Ameritrade's institutional customer program (the "program"), and MCM may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between MCM's participation in the program and the investment advice it gives to its clients, although MCM receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving MCM participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to MCM by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by MCM's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit MCM but may not benefit its client accounts. These products or services may assist MCM in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help MCM manage and further develop its business enterprise. The benefits received by MCM or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, MCM endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by MCM or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the MCM's choice of TD Ameritrade for custody and brokerage services.



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*TD Ameritrade AdvisorDirect*

MCM may receive client referrals from TD Ameritrade through its participation in TD Ameritrade AdvisorDirect. In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, MCM may have been selected to participate in AdvisorDirect based on the amount and profitability to TD Ameritrade of the assets in, and trades placed for, client accounts maintained with TD Ameritrade. TD Ameritrade is a discount broker-dealer independent of and unaffiliated with MCM and there is no employee or agency relationship between them. TD Ameritrade has established AdvisorDirect as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisors. TD Ameritrade does not supervise MCM and has no responsibility for MCM's management of client portfolios or MCM's other advice or services. MCM pays TD Ameritrade an on-going fee for each successful client referral. This fee is usually a percentage (not to exceed 25%) of the advisory fee that the client pays to MCM ("Solicitation Fee"). MCM will also pay TD Ameritrade the Solicitation Fee on any advisory fees received by MCM from any of a referred client's family members, including a spouse, child or any other immediate family member who resides with the referred client and hired MCM on the recommendation of such referred client. MCM will not charge clients referred through AdvisorDirect any fees or costs higher than its standard fee schedule offered to its clients or otherwise pass Solicitation Fees paid to TD Ameritrade to its clients. For information regarding additional or other fees paid directly or indirectly to TD Ameritrade, please refer to the TD Ameritrade AdvisorDirect Disclosure and Acknowledgement Form.

MCM's participation in AdvisorDirect raises potential conflicts of interest. TD Ameritrade will most likely refer clients through AdvisorDirect to investment advisors that encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to obtain client referrals from TD Ameritrade, MCM may have an incentive to recommend to clients that the assets under management by MCM be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. In addition, MCM has agreed not to solicit clients referred to it through AdvisorDirect to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when its fiduciary duties require doing so. MCM's participation in AdvisorDirect does not diminish its duty to seek best execution of trades for client accounts.

*Fidelity*

Fidelity's institutional platform services that assist Mainstay Capital Management in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Fidelity also offers other services intended to help MCM manage and further develop its advisory practice. Such services include, but are not limited to, performance reporting, financial planning, contact management systems, third party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third party service providers who provide a wide array of business related services and technology with whom MCM may contract directly.

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Fidelity generally does not charge its advisor clients separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Fidelity or that settle into Fidelity accounts (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity provides access to many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges.

Fidelity is providing MCM with certain brokerage and research products and services that qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934.

#### **Item 15. Custody**

Mainstay Capital Management is deemed to have "constructive custody" of client funds and securities whenever the firm is given the authority to have fees deducted directly from client accounts. MCM does not serve as trustee for any client accounts. For accounts in which MCM is deemed to have custody, MCM has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained.

Clients will receive quarterly statements from MCM and are urged to carefully review each statement. In order to ensure that all account transactions, holdings and values are correct and current, we urge clients to compare MCM's statements with the statements you receive directly from your independent brokerage or bank qualified custodian.

#### **Item 16. Investment Discretion**

Mainstay Capital Management provides discretionary services to those clients that contract with MCM for the *Mainstay 401(k) Portfolio Management* service to manage their individual 401(k) account. In such circumstances, MCM is bound to the provisions of the plan and can only move assets among the investment options available within the plan. For the *Mainstay Wealth Management* service, MCM limits client investments to mutual fund shares, ETF's and listed securities only.

Written discretionary authority is obtained for all discretionary client accounts. In this written discretionary authority, MCM is provided with the authority to determine the securities and the amounts of securities that are bought or sold, subject to the limitations of the advisory contract and the plan (if applicable), or any other limitations which may be in writing.

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**Item 17. Voting Client Securities**

Mainstay Capital Management does not vote proxies on behalf of our advisory clients. Our client advisory agreement provides that our clients expressly retain the authority and responsibility for voting proxies of portfolio securities. MCM may provide advisory clients with consulting assistance regarding proxy issues but the clients have the responsibility to receive and vote any proxies.

Further, clients should note that MCM does not advise or act on behalf of any client in legal proceedings, e.g., class actions or bankruptcies involving companies whose securities are held or previously were held by a client, including, but not limited to, the filing of "Proofs of Claim" in class action settlements.

**Item 18. Financial Information**

As a matter of firm policy and practice, Mainstay Capital Management will not charge or earn advisory fees in excess of \$1,200 more than six months in advance of the services rendered. Also, Mainstay Capital Management and its principal have no financial events or proceedings to disclose.

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David Kudla, CRPC<sup>®</sup>, CMFC<sup>®</sup>, AAMS<sup>®</sup>  
Patrick Rice, CFA<sup>®</sup>, CFP<sup>®</sup>, CRPC<sup>®</sup>  
Donald Whitton, CFP<sup>®</sup>, CRPC<sup>®</sup>  
Anthony Atrasz, CFP<sup>®</sup>, CRPC<sup>®</sup>, ChFC<sup>®</sup>  
Michael Wallen, CFP<sup>®</sup>, CRPC<sup>®</sup>, AAMS<sup>®</sup>

Shannon Peterson, CFP<sup>®</sup>, CRPC<sup>®</sup>, AAMS<sup>®</sup>  
Scott LaDuke, CFP<sup>®</sup>, CRPC<sup>®</sup>  
Michael Brasza, CFP<sup>®</sup>, CRPC<sup>®</sup>  
Kristin Prieur, CRPC<sup>®</sup>, AAMS<sup>®</sup>  
Dayna Gauthier, CRPC<sup>®</sup>

This brochure supplement provides information on our personnel listed above and supplements the Mainstay Capital Management, LLC Brochure. You should have received a copy of the brochure.

Additionally, an Explanation of Qualifications is included with this Part 2B Brochure Supplement. This list is provided to assist you in evaluating the professional designations our investment professionals hold.

Please contact us if you did not receive Mainstay Capital Management's brochure or if you have any questions about the contents of this supplement.

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

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**David Kudla, CRPC<sup>®</sup>, CMFC<sup>®</sup>, AAMS<sup>®</sup>**  
*CEO & Chief Investment Strategist*

**Item 2. Educational Background and Business Experience**

***Born:*** 1962

***Formal Education:***

Stanford University, Master of Science, 1989  
University of Dayton, Master of Science, 1988  
University of Dayton, Bachelor of Science, 1985

***Professional Designations:***

Certificate in Financial Planning, 2008  
Accredited Asset Management Specialist<sup>SM</sup> (AAMS<sup>®</sup>), 2008  
Chartered Retirement Planning Counselor<sup>SM</sup> (CRPC<sup>®</sup>), 2007  
Chartered Mutual Fund Counselor<sup>SM</sup> (CMFC<sup>®</sup>), 1997

***Business Background Preceding Five Years:***

Mainstay Capital Management LLC, CEO & Chief Investment Strategist, 2000 to Present

**Item 3. Disciplinary Information**

David Kudla does not have any history of any disciplinary or regulatory events to disclose.

**Item 4. Other Business Activities**

David Kudla is President and Executive Editor of FIA Publishing, LLC, a not-for-profit organization, which publishes the *GM/Delphi 401k Investor* and *Ford/Visteon 401k Investor* newsletters. David Kudla is a contributing writer for *Forbes* and *Dow Jones MarketWatch*. David Kudla is Executive Director for RISE (Redefining Investment Strategy Education), the largest student investment symposium in the world. This is a not-for-profit activity in which Mr. Kudla volunteers his time in an effort to advance the financial services industry to the next generation. David Kudla spends less than 10% of his time on these activities.

**Item 5. Additional Compensation**

David Kudla does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate or receive any compensation from anyone for client referrals.

**Item 6. Supervision**

David Kudla, as CEO, Chief Investment Strategist, and principal owner of Mainstay Capital Management, has the overall responsibility for the management of the firm, including the supervision of the investment professionals, setting the business strategies and initiatives, and supervision of accounts, among other activities. David Kudla may be reached at 810-953-5510.

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**Shannon Peterson, CFP<sup>®</sup>, CRPC<sup>®</sup>, AAMS<sup>®</sup>**  
*Chief Compliance Officer*

**Item 2. Educational Background and Business Experience**

***Born:*** 1965

***Formal Education:***

University of Michigan, Masters of Business Administration, 1992  
GMI Engineering & Management Institute, Bachelor of Science, 1988

***Professional Designations:***

Chartered Retirement Planning Counselor<sup>SM</sup> (CRPC<sup>®</sup>), 2010  
Certified Financial Planner<sup>TM</sup> (CFP<sup>®</sup>), 2008  
Certificate in Financial Planning, 2007  
Accredited Asset Management Specialist<sup>SM</sup> (AAMS<sup>®</sup>), 2003

***Business Background Preceding Five Years:***

Mainstay Capital Management LLC, Chief Compliance Officer & Sr. Port. Exec, 2000 to Present

**Item 3. Disciplinary Information**

Shannon Peterson does not have any history of any disciplinary or regulatory events to disclose.

**Item 4. Other Business Activities**

Shannon Peterson does not engage in any other business or occupation.

**Item 5. Additional Compensation**

Shannon Peterson does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate or receive any compensation from anyone for client referrals.

**Item 6. Supervision**

David Kudla, as CEO, Chief Investment Strategist, and principal owner of Mainstay Capital Management, has the overall responsibility for the management of the firm, including the supervision of the investment professionals, setting the business strategies and initiatives, and supervision of accounts, among other activities. David Kudla may be reached at 810-953-5510.

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**Patrick Rice, CFA<sup>®</sup>, CFP<sup>®</sup>, CRPC<sup>®</sup>**  
*Senior Research Analyst*

**Item 2. Educational Background and Business Experience**

***Born:*** 1966

***Formal Education:***

University of Dayton, Masters of Business Administration, 1992  
University of Dayton, Bachelor of Science, 1989

***Professional Designations:***

Chartered Retirement Planning Counselor<sup>SM</sup> (CRPC<sup>®</sup>), 2010  
Certified Financial Planner<sup>TM</sup> (CFP<sup>®</sup>), 2007  
Chartered Financial Analyst<sup>TM</sup> (CFA<sup>®</sup>), 1996

***Business Background Preceding Five Years:***

Mainstay Capital Management LLC, Senior Research Analyst, 2005 to Present

**Item 3. Disciplinary Information**

Patrick Rice does not have any history of any disciplinary or regulatory events to disclose.

**Item 4. Other Business Activities**

Patrick Rice occasionally works with a publisher of study guides for the Chartered Financial Analyst (CFA<sup>®</sup>) examination program. Mr. Rice develops content for the Ethics and Professional Standards section of the study guide, as well as the Quantitative Methods section. Patrick Rice spends less than 5% of his time on this outside business activity.

**Item 5. Additional Compensation**

Patrick Rice does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate or receive any compensation from anyone for client referrals.

**Item 6. Supervision**

David Kudla, as CEO, Chief Investment Strategist, and principal owner of Mainstay Capital Management, has the overall responsibility for the management of the firm, including the supervision of the investment professionals, setting the business strategies and initiatives, and supervision of accounts, among other activities. David Kudla may be reached at 810-953-5510.

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**Scott LaDuke, CFP<sup>®</sup>, CRPC<sup>®</sup>**  
*Senior Portfolio Executive*

**Item 2. Educational Background and Business Experience**

***Born:*** 1964

***Formal Education:***

University of Detroit Mercy, Master of Arts in Economics, 2009  
Walsh College, Master of Science in Finance, 1997  
Central Michigan University, Bachelor of Science, 1986

***Professional Designations:***

Certified Financial Planner<sup>™</sup> (CFP<sup>®</sup>), 2007  
Chartered Retirement Planning Counselor<sup>SM</sup> (CRPC<sup>®</sup>), 2006

***Business Background Preceding Five Years:***

Mainstay Capital Management LLC, Senior Portfolio Executive, 2006 to Present

**Item 3. Disciplinary Information**

Scott LaDuke does not have any history of any disciplinary or regulatory events to disclose.

**Item 4. Other Business Activities**

Scott LaDuke volunteers his time teaching personal finance classes at his church. Scott LaDuke has also previously taught college level Economic and Finance classes at Detroit College of Business and Davenport University. Scott LaDuke spends less than 5% of his time on these outside activities.

**Item 5. Additional Compensation**

Scott LaDuke does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate or receive any compensation from anyone for client referrals.

**Item 6. Supervision**

David Kudla, as CEO, Chief Investment Strategist, and principal owner of Mainstay Capital Management, has the overall responsibility for the management of the firm, including the supervision of the investment professionals, setting the business strategies and initiatives, and supervision of accounts, among other activities. David Kudla may be reached at 810-953-5510.



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**Donald Whitton, CFP<sup>®</sup>, CRPC<sup>®</sup>**  
*Senior Portfolio Executive*

**Item 2. Educational Background and Business Experience**

***Born:*** 1962

***Formal Education:***

Oakland University, Masters of Business Administration, 1992  
Oakland University, Bachelor of Science, 1985

***Professional Designations:***

Chartered Retirement Planning Counselor<sup>SM</sup> (CRPC<sup>®</sup>), 2007  
Certified Financial Planner<sup>TM</sup> (CFP<sup>®</sup>), 1997

***Business Background Preceding Five Years:***

Mainstay Capital Management LLC, Senior Portfolio Executive, 2006 to Present

**Item 3. Disciplinary Information**

Donald Whitton does not have any history of any disciplinary or regulatory events to disclose.

**Item 4. Other Business Activities**

Donald Whitton does not engage in any other business or occupation.

**Item 5. Additional Compensation**

Donald Whitton does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate or receive any compensation from anyone for client referrals.

**Item 6. Supervision**

David Kudla, as CEO, Chief Investment Strategist, and principal owner of Mainstay Capital Management, has the overall responsibility for the management of the firm, including the supervision of the investment professionals, setting the business strategies and initiatives, and supervision of accounts, among other activities. David Kudla may be reached at 810-953-5510.

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**Michael Brasza, CFP<sup>®</sup>, CRPC<sup>®</sup>**  
*Senior Portfolio Executive*

**Item 2. Educational Background and Business Experience**

***Born:*** 1973

***Formal Education:***

Oakland University, Bachelor of Science, 1996

***Professional Designations:***

Certified Financial Planner<sup>™</sup> (CFP<sup>®</sup>), 2010

Certificate in Financial Planning, 2010

Chartered Retirement Planning Counselor<sup>SM</sup> (CRPC<sup>®</sup>), 2009

***Business Background Preceding Five Years:***

Mainstay Capital Management LLC, Senior Portfolio Executive, 2008 to Present

Charles Schwab, VP Financial Consultant, 2008

TD Ameritrade, Investment Consultant, 2007 to 2008

Fidelity Investments, Financial Planning Consultant, 2005 to 2007

**Item 3. Disciplinary Information**

Michael Brasza does not have any history of any disciplinary or regulatory events to disclose.

**Item 4. Other Business Activities**

Michael Brasza is a presenter and counselor for the “Investor Education in Your Community<sup>®</sup>”, a national public education and awareness campaign, created through the partnership of the Investor Protection Trust (IPT) and the State of Michigan’s Office of Financial and Insurance Regulation (OFIR). Michael Brasza spends less than 5% of his time on this outside activity.

**Item 5. Additional Compensation**

Michael Brasza does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate or receive any compensation from anyone for client referrals.

**Item 6. Supervision**

David Kudla, as CEO, Chief Investment Strategist, and principal owner of Mainstay Capital Management, has the overall responsibility for the management of the firm, including the supervision of the investment professionals, setting the business strategies and initiatives, and supervision of accounts, among other activities. David Kudla may be reached at 810-953-5510.

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**Anthony Atrasz, CFP®, CRPC®, ChFC®**  
*Senior Portfolio Executive*

**Item 2. Educational Background and Business Experience**

***Born:*** 1977

***Formal Education:***

Walsh College, Master of Science in Finance, Partial Completion of Coursework  
Eastern Michigan University, Bachelor of Science, 2000

***Professional Designations:***

Chartered Retirement Planning Counselor<sup>SM</sup> (CRPC®), 2010  
Chartered Financial Consultant® (ChFC®), 2008  
Certified Financial Planner<sup>TM</sup> (CFP®), 2006  
Certificate in Personal Financial Planning, 2005

***Business Background Preceding Five Years:***

Mainstay Capital Management LLC, Senior Portfolio Executive, 2009 to Present  
Financial Consultant, Independent Contractor, 2008 to 2009  
Fidelity Brokerage Services, VP Senior Account Executive, 2006 to 2008

**Item 3. Disciplinary Information**

Anthony Atrasz does not have any history of any disciplinary or regulatory events to disclose.

**Item 4. Other Business Activities**

Anthony Atrasz is a presenter and counselor for the “Investor Education in Your Community®”, a national public education and awareness campaign, created through the partnership of the Investor Protection Trust (IPT) and the State of Michigan’s Office of Financial and Insurance Regulation (OFIR). Anthony Atrasz spends less than 5% of his time on this outside activity.

**Item 5. Additional Compensation**

Anthony Atrasz does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate or receive any compensation from anyone for client referrals.

**Item 6. Supervision**

David Kudla, as CEO, Chief Investment Strategist, and principal owner of Mainstay Capital Management, has the overall responsibility for the management of the firm, including the supervision of the investment professionals, setting the business strategies and initiatives, and supervision of accounts, among other activities. David Kudla may be reached at 810-953-5510.

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**Michael Wallen, CFP®, CRPC®, AAMS®**  
*Senior Portfolio Executive*

**Item 2. Educational Background and Business Experience**

***Born:*** 1978

***Formal Education:***

University of Michigan, Masters of Business Adm., Partial Completion of Coursework  
Walsh College, Bachelor of Arts in Finance, 2008

***Professional Designations:***

CFA® Level II Candidate  
Chartered Retirement Planning Counselor<sup>SM</sup> (CRPC®), 2011  
Certified Financial Planner<sup>TM</sup> (CFP®), 2010  
Certificate in Financial Planning, 2010  
Accredited Asset Management Specialist<sup>SM</sup> (AAMS®), 2007

***Business Background Preceding Five Years:***

Mainstay Capital Management LLC, Senior Portfolio Executive, 2011 to Present  
Charles Schwab, Financial Consultant, 2007 to 2011  
Countrywide Investment Services, Financial Services Executive, 2006 to 2007  
Edward Jones, Investment Representative, 2004 to 2006

**Item 3. Disciplinary Information**

Michael Wallen does not have any history of any disciplinary or regulatory events to disclose.

**Item 4. Other Business Activities**

Michael Wallen volunteers his time teaching personal finance classes at his church. Michael Wallen spends less than 5% of his time on this outside activity.

**Item 5. Additional Compensation**

Michael Wallen does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate or receive any compensation from anyone for client referrals.

**Item 6. Supervision**

David Kudla, as CEO, Chief Investment Strategist, and principal owner of Mainstay Capital Management, has the overall responsibility for the management of the firm, including the supervision of the investment professionals, setting the business strategies and initiatives, and supervision of accounts, among other activities. David Kudla may be reached at 810-953-5510.

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**Dayna Gauthier, CRPC®**  
*Portfolio Executive*

**Item 2. Educational Background and Business Experience**

***Born:*** 1977

***Formal Education:***

University of Michigan, Bachelor of Science, 2008

***Professional Designations:***

Chartered Retirement Planning Counselor<sup>SM</sup> (CRPC®), 2010  
Certificate in Financial Planning, 2010

***Business Background Preceding Five Years:***

Mainstay Capital Management LLC, Portfolio Executive, 2008 to Present  
AFLAC, Account Manager, 2007 to 2008  
Vet Biz, Accounting Intern, 2007

**Item 3. Disciplinary Information**

Dayna Gauthier does not have any history of any disciplinary or regulatory events to disclose.

**Item 4. Other Business Activities**

Dayna Gauthier does not engage in any other business or occupation.

**Item 5. Additional Compensation**

Dayna Gauthier does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate or receive any compensation from anyone for client referrals.

**Item 6. Supervision**

David Kudla, as CEO, Chief Investment Strategist, and principal owner of Mainstay Capital Management, has the overall responsibility for the management of the firm, including the supervision of the investment professionals, setting the business strategies and initiatives, and supervision of accounts, among other activities. David Kudla may be reached at 810-953-5510.

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**Kristin Prieur, CRPC<sup>®</sup>, AAMS<sup>®</sup>**  
*Portfolio Associate*

**Item 2. Educational Background and Business Experience**

***Born:*** 1983

***Formal Education:***

University of Michigan, Bachelor of Arts, 2005

***Professional Designations:***

Accredited Asset Management Specialist<sup>SM</sup> (AAMS<sup>®</sup>), 2011

Chartered Retirement Planning Counselor<sup>SM</sup> (CRPC<sup>®</sup>), 2011

***Business Background Preceding Five Years:***

Mainstay Capital Management LLC, Portfolio Associate, 2010 to Present

MassMutual Financial/The Fulcher Companies, Account Manager, 2000 to 2010

**Item 3. Disciplinary Information**

Kristin Prieur does not have any history of any disciplinary or regulatory events to disclose.

**Item 4. Other Business Activities**

Kristin Prieur does not engage in any other business or occupation.

**Item 5. Additional Compensation**

Kristin Prieur does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate or receive any compensation from anyone for client referrals.

**Item 6. Supervision**

David Kudla, as CEO, Chief Investment Strategist, and principal owner of Mainstay Capital Management, has the overall responsibility for the management of the firm, including the supervision of the investment professionals, setting the business strategies and initiatives, and supervision of accounts, among other activities. David Kudla may be reached at 810-953-5510.

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**Explanation of Qualifications**

**Certified Financial Planner™ or CFP®**

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

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CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

**Chartered Financial Analyst™ or CFA®**

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals.

There are currently more than 90,000 CFA charterholders working in 134 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

**High Ethical Standards**

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charterholders to:

- Place their clients' interests ahead of their own
- Maintain independence and objectivity
- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters

**Global Recognition**

Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charterholders—often making the charter a prerequisite for employment.

Additionally, regulatory bodies in 22 countries and territories recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.

**Comprehensive and Current Knowledge**

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management



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skills to reflect the dynamic and complex nature of the profession. To learn more about the CFA charter, visit [www.cfainstitute.org](http://www.cfainstitute.org).

**Certificate in Financial Planning**

To earn a Certificate in Financial Planning, candidates must complete advanced college-level courses of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services. Candidates must have attained a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university).

CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning.

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

Individuals who hold the AAMS<sup>®</sup> designation have completed a course of study encompassing investments, insurance, tax, retirement, and estate planning issues. Additionally, individuals must pass an end-of-course examination that tests their ability to synthesize complex concepts and apply theoretical concepts to real-life situations.

All designees have agreed to adhere to Standards of Professional Conduct and are subject to a disciplinary process.

Designees renew their designation every two-years by completing 16 hours of continuing education, reaffirming adherence to the Standards of Professional Conduct and complying with self-disclosure requirements.

**Chartered Retirement Planning Counselor<sup>SM</sup> or CRPC<sup>®</sup>**

Individuals who hold the CRPC<sup>®</sup> designation have completed a course of study encompassing pre-and post-retirement needs, asset management, estate planning and the entire retirement planning process using models and techniques from real client situations. Additionally, individuals must pass an end-of-course examination that tests their ability to synthesize complex concepts and apply theoretical concepts to real-life situations.

All designees have agreed to adhere to Standards of Professional Conduct and are subject to a disciplinary process.

Designees renew their designation every two-years by completing 16 hours of continuing education, reaffirming adherence to the Standards of Professional Conduct and complying with self-disclosure requirements.

**Chartered Mutual Fund Counselor<sup>SM</sup> or CMFC<sup>®</sup>**

Individuals who hold the CMFC<sup>®</sup> designation have completed a course of study encompassing all aspects of mutual funds and their uses as investment vehicles. Additionally, individuals must pass an end-of-course examination that tests their ability to synthesize complex concepts and apply theoretical concepts to real-life situations.

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All designees have agreed to adhere to Standards of Professional Conduct and are subject to a disciplinary process.

Designees renew their designation every two-years by completing 16 hours of continuing education, reaffirming adherence to the Standards of Professional Conduct and complying with self-disclosure requirements.

**Chartered Financial Consultant® or ChFC®**

A professional designation representing completion of a comprehensive course consisting of financial education, examinations and practical experience. Chartered Financial Consultant designations are granted by The American College upon completion of seven required courses and two elective courses. Those who earn the designation are understood to be knowledgeable in financial matters and to have the ability to provide sound advice.