

**Form ADV Part 2A Appendix 1
Wrap Fee Program Brochure –
Dated October 4, 2012**

Brookstone Capital Management, LLC

1751 S. Naperville Road, Suite 208

Wheaton, IL 60189

Phone Number (630) 653-1400

www.brookstonecm.com

This wrap fee program Brochure provides information about the qualifications and business practices of Brookstone Capital Management LLC. If you have any questions about the contents of this Brochure, please contact us at (630) 653-1400. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any other state securities authority.

Additional information about Brookstone Capital Management is also available on the SEC’s website at www.adviserinfo.sec.gov.

Brookstone Capital Management is a registered Investment Advisor. However, please note that registration as an Investment Advisor does not imply any level of skill or training.

ITEM 2 - MATERIAL CHANGES

This Brochure, dated October 4, 2012, has material changes to Item 5. It discloses compensation for Investment Advisor Representatives and New Sub advisory relationships.

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ITEM 4 – SERVICES, FEES AND COMPENSATION

The purpose of this brochure is to describe certain details relating to the Wrap Fee Program of Brookstone Capital Management LLC (“Brookstone”) and your participation in the program.

A wrap program is a program where this firm ‘wraps’ both the asset management fees for advisory services and the transaction fees for execution services into a single fee charged to the client. Under a Wrap Fee arrangement, a client’s costs are the same regardless of the number of transactions in an account. (Conversely, in a non-wrap fee advisory account, a client would pay an asset management fee and a separate transaction fee for each transaction within the account).

As of April 2012, Brookstone offers its securities asset management program exclusively in a wrap fee program. The wrap fee program is mandatory for the SmartOption Model, subadvised by Swan Wealth Advisors Inc and all of Brookstone’s Managed Securities Models. As such, Brookstone client accounts in the SmartOption Strategy or other Managed Securities Models do not have a choice between a Wrap and a Non-Wrap account, and all client accounts will be charged on a Wrap Fee basis, as outlined below.

The wrap program does not cover any fixed income allocated models or holdings such as the Brookstone Bond Asset Allocation Program, Market Linked CDs, Structured Notes, etc. Nor does it cover anything held outside a Brookstone Model, such as a legacy position or client initiated purchases.

Wrap Programs may be more expensive to clients where there is little trading activity in the account, where a buy & hold strategy is applied, or where no or low transaction cost investments are utilized. Alternatively, a Non-Wrap Program may be more expensive if there is frequent trading activity in the account, if many transaction based investments are utilized in the management of the account, or if there is frequent re-balancing within the account.

Since your costs are the same regardless of the number of transactions actually effected in your account in any given quarter, the wrap fee (described below) may be lower or higher than the separate commission expense and management fee would be for the same transactions. Clients should determine their level of trading activity relative to the potentially higher rates charged in a wrap account to determine whether a wrap account is cost effective, or whether the client would pay more, or less, outside the program or at another firm.

Asset Management Services:

Brookstone Capital Management’s principal service is providing fee-based investment advisory services. The advisor practices management of portfolios, on a discretionary

basis, according to the client's objectives. The advisor uses mutual funds, exchange traded funds, unit investment trusts, real estate investment trusts, Structured Products (including certificates of deposit and notes), and options in securities to accomplish this objective. The advisor's primary approach is to use a tactical allocation strategy aimed at reducing risk and increasing performance. A client's portfolio is allocated according to the client's risk profile. The advisor measures and selects mutual funds based on length and verifiability of track record, the fund manager's tenure and/or overall career performance, the fund management continuity, investment philosophy and process, fund expenses, and other factors believed to effect fund performance. The advisor may recommend, on occasion, redistributing investment allocations to diversify the portfolio in an effort to reduce risk and increase performance. The advisor may recommend specific investments to increase sector weighting and/or dividend potential. The advisor may recommend employing cash positions as a possible hedge against market movement which may adversely affect the portfolio. The advisor may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position(s) in the portfolio, change in risk tolerance of client, or any risk deemed unacceptable for the client's risk tolerance.

Asset Management Fees:

Pursuant to an investment advisory contract signed by each client, the client will pay Brookstone a quarterly Management/Wrap Program Fee, payable in arrears, based on the amount of the assets to be managed by the advisor as of the opening of business on the first business day of each quarter.

Asset Valuation	Investment Advisory Fee	Investment Consultant Fee	Total Fee
\$50,000 - \$500,000	0.2%	0.25%	0.45%
Next \$500,000	0.175%	0.225%	0.4%
Next \$1,000,000	0.125%	0.1875%	0.3125%
Next \$3,000,000	0.10%	0.125%	0.225%

The firm offers a 'Laddered Bond & CD Portfolio'. This model is made up of individual bonds or CD's. The Bond Portfolio holds only individual investment grade corporate bonds, municipal bonds and CDs. The Bond Portfolio will be laddered. Laddering is a portfolio management strategy for fixed income whereby multiple bonds and or CDs are purchased, each with different maturity dates. Fees for the program, billed quarterly in arrears, are as follows:

Asset Valuation	Investment Advisory Fee	Referring Investment Consultant Fee	Total Fee
\$50,000 - \$500,000	0.10%	0.25%	0.35%
Next \$500,000	0.10%	0.225%	0.325%
Next \$1,000,000	0.10%	0.1875%	0.2875%
Next \$3,000,000	0.10%	0.125%	0.225%

Brookstone also offers the ‘Brookstone Bond Asset Allocation Program’. This program is designed to allocate Client’s assets among Funds selected by Brookstone based on buy and sell signals provided by BTS Asset Management, an unaffiliated third-party timing service. The number of Funds selected and the allocation percentages shall be determined by Brookstone Capital Management. Client understands that the purpose of the program is to attempt to provide downside protection in a falling market and appreciation possibilities in a rising market, by exchanging investments in the Funds selected by BCM upon buy and sell signals provided by BTS Asset Management. The Bond Asset Allocation Program will utilize a defensive (money market) fund and 2 aggressive (government and high yield) funds. Using buy and sell signals, BCM will attempt to allocate assets to the bond sector producing the highest current return when bond prices are rising, or conversely to preserve capital by moving to the money market fund if bonds sectors are declining. Client provides Brookstone with discretionary authority to affect exchanges in accordance with the receipt of BTS’s buy and sell signals.

Clients who participate in the ‘Brookstone Bond Asset Allocation Program’ pay a quarterly management/wrap program fee, payable in arrears, based on the amount of the assets to be managed by the advisor in the program as of the opening of business on the first business day of each quarter.

Assets Under Management	Management Fee	Representative Fee
First \$100,000	0.3125%	0.375% maximum fee
Next \$100,000 - \$249,999	0.25%	
Next \$250,000 - \$499,999	0.1875%	
Next \$500,000 - \$999,999	0.125%	
Next 1 million +	0.10%	

Brookstone also offers Portfolio Thermostat Matrix strategy as offered by the subadvisor Canterbury Investment Management LLC, a SEC Registered Investment Advisor. The Thermostat Matrix process identifies 12 different Market States. Each Market State is based on combining the long term trend, medium term and short term changes in volatility, and a combination of short term market indicators. The number of funds and allocation percentages shall be determined by Canterbury Investment Management and Brookstone shall execute trades based upon buy and sell signals provided by Canterbury Investment Management. Client provides Brookstone with discretionary authority to affect exchanges in accordance with the receipt of Canterbury’s Buy and sell signals.

Clients who participate in the ‘Portfolio Thermostat Matrix’ pay a quarterly management/wrap program fee, payable in arrears, based on the amount of the assets to be managed by the advisor in the program as of the opening of business on the first business day of each quarter and are as follows:

Asset Valuation	Investment Advisory Fee	Investment Consultant Fee	Total Fee
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\$60,000 - \$500,000	0.3125%	.25%	0.5625%
\$500,001 - \$1,000,000	0.2875%	0.2125%	0.5%
Over \$1,000,00	0.25%	0.1875%	0.4375%

Finally, the firm offers the 'SmartOption' program as offered by a subadvisor, Swan Wealth Advisors, Inc. This SmartOption model is made up of the S&P 500 (through an exchange traded fund), as well as options. There is a \$60,000 minimum account size for participation in the SmartOption program. Brookstone's portion of the Investment Advisory Fee collected is shared with the subadvisor, Swan Wealth Advisors, Inc. Fees for the program, billed quarterly in arrears, are as follows:

Asset Valuation	Investment Advisory Fee	Investment Consultant Fee	Total Fee
\$60,000 - \$500,000	0.3125%	.25%	0.5625%
\$500,001 - \$1,000,000	0.2875%	0.2125%	0.5%
Over \$1,000,00	0.25%	0.1875%	0.4375%

Fees may be negotiated by the advisor under unusual circumstances, at the sole discretion of the advisor. Asset management fees will be automatically deducted from the client account on a quarterly basis by the custodian.

All fees paid to Brookstone Capital Management LLC for investment advisory services are separate and distinct from the expenses charged by mutual funds to their shareholders and the product sponsor in the case of variable insurance products. These fees and expenses are described in each fund's or variable product's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the sponsor also imposes sales charges, a client may pay an initial or deferred sales or surrender charge. A client could invest in these products directly, without the services of Brookstone Capital Management LLC. In that case, the client would not receive the services provided by Brookstone Capital Management LLC which are designed, among other things, to assist the client in determining which products or services are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the product sponsor and the fees charged by Brookstone Capital Management LLC to fully understand the total fees to be paid.

Clients may request to terminate their advisory contract with Brookstone Capital Management LLC, in whole or in part, by providing 30 days advance written notice. If the Form ADV Part II is not delivered at least forty eight (48) hours before the client enters into the contract, then the client has the right to terminate the contract within five (5) business days after entering into it without penalty. Upon termination, any fees paid in advance will be prorated to the date of termination and any excess will be refunded to client. Client's advisory agreement with the Advisor is non-transferable without Client's written approval.

Brookstone may pay referral fees to any other advisor or third party who might recommend your participation in this wrap fee program. Should the wrap fee (described above) be higher than the commission expense for the same transactions, the portfolio manager has an economic incentive to recommend your participation in this program. Please review your previous level of transaction activity and related expenses to determine whether you will likely benefit from the complete line of services being provided under this wrapped fee program. Please note that Brookstone offers management services on a Wrap Fee only basis.

While you will not be charged brokerage commissions under this Wrap Fee Program, please note that your brokerage account may be charged a service charge by the clearing firm, as well as potential account opening, closing, or similar servicing fees, in addition to your wrap fees. Certain IRA accounts may be charged custodial or other service fees as well. If your account is invested in mutual funds, the mutual fund company may assess administrative charges against your investment in that fund. These fees are not charged by Brookstone, but rather by the product sponsor, brokerage firm, or custodian firm. In the normal course of effecting transactions, prices for certain trades made on behalf of your account may include mark-ups, mark-downs, and spread differentials.

In addition from time to time, we initiate incentive programs for Investment Advisor Representatives. These programs may compensate them for attracting new assets and Clients promoting investment advisory services. We may also initiate programs that reward Representatives who meet total production criteria, participate in advanced training and/or improve Client service. Representatives who participate in these incentive programs may be rewarded with cash and/or non-cash compensation, such as deferred compensation, bonuses, training symposiums, marketing assistance and recognition trips.

ITEM 5 – ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

Brookstone provides its Advisory Services to individuals, families, retirement plans, trusts, estates, charitable organizations, or other business entities. While Brookstone Capital Management enforces no minimum account size, the firm recommends a cumulative household minimum account size is \$25,000. The ‘SmartOption’ Program has a minimum account size of \$60,000. However, based on individual facts and circumstances, Brookstone Capital Management LLC may, at its sole discretion, accept accounts with a lower value.

ITEM 6 – PORTFOLIO MANAGER

Your Portfolio Manager is a person, with relevant securities industry experience and industry required licenses, who is associated with Brookstone as a licensed investment advisory representative. This wrap fee program does not use the services of managers who are not associated with Brookstone. Therefore, the agent with whom you have been dealing at Brookstone will be your portfolio manager.

While your Brookstone advisory representative assists in the suitability and on-going review of your account performance, the advisory representative does not directly manage or effect the trading of the investment portfolios. The Senior Portfolio Manager, Mr. Dean Zayed, directs the management of all portfolios, including all trading decisions, decisions related to holdings, and rebalancing.

Mr. Dean Zayed reviews the performance of each portfolio on at minimum a weekly basis. He also reviews the performance of each portfolio manager. He will do this review quarterly. He will compare the performance of each manager to securities industry benchmarks such as the S&P 500 for growth funds and accounts with “growth” as the investment objective of the account; and other comparable peer group benchmarks.

Should you wish a portfolio manager other than the person with whom you have been regularly dealing, you may contact Mr. Zayed at any time, who will ensure that you are re-assigned to a mutually agreed portfolio manager. To make such a change in portfolio managers, all you need to do is make your request in writing and submit it to Mr. Zayed at Brookstone’s main office address, as listed on the Cover page of this Brochure.

Advisory Business:

In addition to providing the Wrap Fee Program described in this Brochure, the firm also provides Financial Planning Services, as outlined in the Form ADV Part 2. Please refer to Brookstone’s Form ADV Part 2 for additional information related to the Planning Services offered, including fees charged for this service.

The above listed advisory services can be tailored to each client – as such, if any client requires any restrictions on any types of stocks or market segments, the client needs to inform their Advisory Representative of the restrictions in writing. If, for any reason, the firm is not able to meet the client restrictions, the firm will notify the client of that fact so that the client can determine their requirements and needs.

Methods of Analysis, Investment Strategies, and Risk of Loss:

Investing in securities of any kind involves risk, including loss of investment, that clients must be prepared to accept.

Brookstone provides investment advice based upon long-term investment strategies that incorporate the principles of Modern Portfolio Theory.

Generally, the firm provides advice on the following types of securities: stocks (exchange listed, over-the-counter, and foreign issues); bonds (corporate debt); certificates of deposit; municipal securities; variable annuities; mutual funds and exchange traded funds (ETFs); Options contracts; and partnerships investing in real estate. In addition, in certain instances the firm purchases put options on the market.

Voting Client Securities:

Brookstone Capital Management LLC will not vote, nor advise clients how to vote, proxies for securities held in client accounts. The client clearly keeps the authority and responsibility for the voting of these proxies. Also, Brookstone Capital Management LLC cannot give any advice or take any action with respect to the voting of these proxies. The client and Brookstone Capital Management LLC agree to this by contract.

For accounts subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”), the plan fiduciary specifically keeps the authority and responsibility for the voting of any proxies for securities held in plan accounts. Also, Brookstone Capital Management LLC cannot give any advice or take action with respect to the voting of these proxies.

Performance Based Fees and Side-By-Side Management:

Brookstone does not charge any performance based fees of any kind (those fees that are based upon a share of capital gains or capital appreciation of client assets).

ITEM 7 – CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

Your financial history, and related background information, such as social security number, account numbers, account holdings, personal and family background, work history, tax status, and numerous other items necessary for us to provide you with suitable investment advice and establish any investment account, are gathered by your Advisory Representative at the inception of the relationship, and is updated on a regular basis thereafter.

You are responsible for insuring that we have accurate, current information about your financial condition, your holdings and other investments, your investment objectives and goals and all other information which has a bearing on your investments and participation in this investment program. Your portfolio manager will receive a copy of all information which you supply us. Your portfolio manager will receive notice of any change to any item of your account information when you inform Brookstone of such change.

Due to the nature of the services being offered under this program and our desire to provide you the best service, we must stress the importance of your providing us with accurate and current financial information. If at any time any of your information changes, please notify your Advisory Representative immediately.

ITEM 8 – CLIENT CONTACT WITH PORTFOLIO MANAGER

Your Portfolio Manager is your Advisory Representative at Brookstone. You may contact your Portfolio Manager at any time. In fact, we encourage you to work closely with your Portfolio Manager and to contact him/her with any questions or items of particular concern or interest to you. In addition, as noted above, you must notify your Portfolio Manager of any changes to your background or account information.

ITEM 9 – ADDITIONAL INFORMATION

Advisor participates in the institutional advisor program (the “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 member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from TD Ameritrade through its participation in the Program.

As disclosed above, Advisor participates in TD Ameritrade’s institutional customer program and Advisor may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between Advisor’s participation in the program and the investment advice it gives to its Clients, although Advisor 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 Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Advisor by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Advisor’s related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Advisor but may not benefit its Client accounts. These products or services may assist Advisor in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Advisor manage and further develop its business enterprise. The benefits received by Advisor 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, Advisor endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor’s choice of TD Ameritrade for custody and brokerage services.

Advisor also receives from TD Ameritrade certain additional economic benefits (“Additional Services”) that may or may not be offered to any other independent investment Advisors participating in the program. Specifically, the Additional Services include Morningstar Advisor Workstation, Albridge Solutions, and Tamarac.

TD Ameritrade provides the Additional Services to Advisor in its sole discretion and at its own expense, and Advisor does not pay any fees to TD Ameritrade for the Additional Services. Advisor and TD Ameritrade have entered into a separate agreement (“Additional Services Addendum”) to govern the terms of the provision of the Additional Services.

Advisor’s receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to Advisor, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, Advisor’s Client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with Advisor, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, Advisor may have an incentive to recommend to its Clients that the assets under management by Advisor be held in custody with TD Ameritrade and to place transactions for Client accounts with TD Ameritrade. Advisor’s receipt of Additional Services does not diminish its duty to act in the best interests of its Clients, including to seek best execution of trades for Client accounts.

Disciplinary Information:

Firms are required to report any legal or disciplinary events that are material to a client’s evaluation of our advisory business and the integrity of our management.

In February of 2008, the Kentucky Division of Securities found the firm and advisory representative James Jones in violation of Kentucky rules for permitting Mr. Jones to transact business in the state without prior registration. The firm paid a \$2,000 fine in May of 2008, and both the firm and the advisory representative were permitted to register in the state.

In addition, there are certain advisory affiliates of this firm that do have reportable events that are reportable under this item. The advisory affiliate related items are reported below.

Matthew Rettich: Hawaii Division of Insurance found Mr. Rettich in violation of disclosure rules for failing to disclose a trespassing charge on Mr. Rettich’s record from when he was 18 years of age. The Division issued a letter of reprimand.

Stacey Munderloh: Commission of Insurance for the State of Texas fined Ms. Munderloh \$2,300 in July of 2002 for violations of advertising rules for failing to report a change of address and report additional offices, as well as accepting commissions from an unlicensed entity for insurance services.

Bonnie Griffith: In January of 2005, Ms. Griffith was fined \$1,500 by the Illinois Division of Insurance for selling 2 insurance contracts with unauthorized insurer in the state of Illinois.

Additional information regarding the above reportable events can also be found at the SEC's public disclosure website, which can be accessed at www.advisorinfo.sec.org.

Other Financial Industry Activities and Affiliations:

Chief Compliance Officer Dean Zayed is a shareholder in the law firm of Perkins & Zayed, PC. From time to time, Perkins & Zayed, PC may provide legal services for clients of Brookstone Capital Management LLC. These agreements will be disclosed by Brookstone Capital Management LLC at the time the advisory agreement is entered into by delivery of Brookstone Capital Management LLC's Form ADV Part II to the client. Dean Zayed is also a shareholder of CD Revolution, Inc., an Illinois Corporation engaged in the design and distribution of structured products, including market linked certificates of deposit and various structured notes. CD Revolution Inc. may earn a consulting fee in this capacity and some of the products it helps design and distribute may be purchased as part of the portfolio that Brookstone manages for its clients. Finally, Mr. Zayed is also a registered representative of Center Street Securities and is engaged in the business of selling life, health, long-term care, disability and annuity insurance products as well as securities.

Vice President Matthew Rettich is the founder and CEO of Covenant Reliance Producers, LLC. Investment Advisor Representatives for Brookstone may also be licensed and registered as insurance agents to sell life, health, long-term care, disability and annuity insurance products for Covenant Reliance Producers, LLC. Therefore, they will be able to purchase insurance products for any client in need of such services and will receive separate, yet typical compensation in the form of commissions for the purchase of insurance products. Clients are not obligated to use Covenant Reliance Producers, LLC for insurance products services. In such instances, there is no advisory fee associated with these insurance products.

The other Investment Adviser Representatives of Brookstone Capital Management LLC may also be registered representatives of broker/dealers engaged in the business of selling securities, life, health, long-term care, disability and annuity products. As registered representatives, associates may receive separate yet typical compensation in the form of commissions for the purchase of securities products through their affiliated broker-dealer as well as for the sale of insurance products.

Investment Advisor Representatives for Brookstone Capital Management LLC may also sell life, health, long-term care, disability and annuity insurance products.

Brookstone may also compensate others advisory firms or individuals for client referrals to this firm under a Solicitation Fee Arrangement, as more fully described in the firm's

Form ADV Part 2 Brochure and below in this Wrap Fee Brochure, as well as in the solicitation documents that solicited clients are provided prior to engaging this firm.

Code of Ethics:

Brookstone maintains a companywide Code of Ethics. Brookstone's Code includes various prohibited activities, requires all firm employees to adhere to high ethical standards, and requires that covered persons place client interests ahead of their own. The Code also requires all employees subject to the Code to comply with all applicable laws related to the firm's advisory business, and requires that all employees be bound by the Anti-Fraud Provisions of federal securities law.

In addition, the Code requires that certain transactions by firm personnel be pre-approved, and that firm personnel report all reportable holdings and transactions to firm management on a regular basis. A copy of Brookstone's Code of Ethics is available to existing and prospective clients upon request at the firm's main office address and phone number, as listed on the Cover Page of this Brochure.

Participation or Interest in Client Transactions and Personal Trading:

Principals and/or officers of Brookstone may manage his/her own accounts in the same manner Brookstone uses to manage client assets. As such, firm personnel may own the same securities or other investments that client accounts contain. Client transactions are executed either prior to or simultaneously with those of the principals. All employee transactions are reviewed by the Compliance Department to ensure that any conflicts can be identified and addressed.

Brookstone Capital Management LLC and/or its advisory representatives may from time to time purchase or sell products that they may recommend to clients. Brookstone Capital Management LLC has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the adviser. In addition, the Code of Ethics governs personal trading by each employee of Brookstone Capital Management LLC deemed to be an Access Person and is intended to ensure that securities transactions effected by Access Persons of Brookstone Capital Management LLC are conducted in a manner that avoids any actual or potential conflict of interest between such persons and clients of the adviser or its affiliates. Brookstone Capital Management LLC collects and maintains records of securities holdings and securities transactions effected by Access Persons. These records are reviewed to identify and resolve potential conflicts of interest.

Additionally, when executing securities trades in personal securities accounts, Investment Advisor Representatives and supervised persons must be especially careful to make sure that such trading activities are:

1. not conducted in advance of client transactions in similar securities.
2. not in opposition to recommendations made for client securities transactions.
3. not based upon inside information or research analyst reports that the adviser prepared.

4. not otherwise in violation of applicable securities laws or fiduciary duties owed to clients.

Where acting in the capacity of a registered representative of a registered broker/dealer, advisory representatives of Brookstone Capital Management LLC may as broker or agent effect securities transactions for typical and customary compensation. Clients are not obligated to use advisory representatives of Brookstone Capital Management LLC to execute such securities transactions.

Brookstone does not conduct 'Principal' transactions, does not engage in Cross-Trades between advisory clients, and does not participate in Agency Cross Transactions.

Review of Accounts:

Accounts are monitored on an ongoing basis by Dean Zayed. The triggering factors would be Brookstone Capital Management becomes aware of a change in client's investment objective, a change in market conditions, change of employment, re-balancing of assets to maintain proper asset allocation and any other activity that is discovered as the account is reviewed. The client will receive written statements no less than quarterly from the trustee or custodian. In addition, the client will receive other supporting reports from Mutual Funds, Asset Managers, Trust Companies or Custodians, Insurance Companies, Broker/Dealers and others who are involved with client accounts.

The client is encouraged to notify the Advisor and Investment Advisor Representative if changes occur in his/her personal financial situation that might adversely affect his/her investment plan.

Brookstone has the ability to prepare written quarterly reports reflecting current positions and valuations which are provided to all clients for managed accounts. Third party custodians also provide monthly. Financial planning clients receive a written copy of their financial plan with all supporting analyses.

Client Referrals and Other Compensation

Other Advisory firms may refer suitable potential advisory clients to Brookstone. Brookstone in return provides compensation to those firms, in accordance with SEC Rule 206(4)-3 of the Investment Advisers Act of 1940. Written agreements are entered into between Brookstone and Solicitors as required by SEC Rule 206(4)-3. Pursuant to such arrangements, Brookstone provides the Solicitor with the ADV Disclosure Document and an "Additional Disclosure Statement" which are to be furnished to prospective clients at the time of solicitation by the Solicitor.

Clients therefore are herein made aware that Brookstone may pay a solicitation fee for the introduction of advisory clients. The Solicitor would be paid cash compensation amounting to a percentage of the base annual fee on assets under management, collected from clients referred to Brookstone by the Solicitor, as outlined and disclosed to each client in the Disclosure Statement that all solicited clients receive.

Financial Information:

Brookstone does not require prepayment of more than \$1,200 in fees per client six months or more in advance – as such, a Balance Sheet is not required and therefore not attached. There is also no known financial condition that is reasonably likely to impair this firm's ability to meet contractual commitments to clients, and the firm has not been the subject of a bankruptcy proceeding.

ITEM 10 – STATE REGISTERED ADVISORS

As Brookstone Capital Management is an SEC registered advisor and not a State registered advisor, this Item is not applicable.