

Jon James Melander
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March 9, 2012

This Brochure Supplement provides information about Jon Melander that supplements the Capstone Advisory Group, LLC Brochure. You should have received a copy of that Brochure. Please contact Gregory Mortenson if you did not receive Capstone Advisory Group, LLC's Brochure or if you have any questions about the contents of this Supplement.

Additional information about Jon Melander is available on the SEC's website at www.adviserinfo.sec.gov.

Keep a copy of the Brochure Supplement and any updates in your permanent files.

Item 2 Educational, Background and Business Experience

Full Legal Name: Jon James Melander

Born: 1966

Education

- University of Minnesota ; BS, Business Finance

Business Experience

- Capstone Advisory Group, LLC; from 03/2012 to Present
Investment Advisory Representative
- Cambridge Investment Research, Inc; from 03/2012 to Present
Registered Representative
- Capital Management Securities, Inc.; Registered Representative; 02/2003 to 03/2012
- Dain Rauscher Inc.; Registered Representative; 03/1998 to 02/2003

Professional Designations

Certified Investment Management Analyst (CIMA®): 2003

The CIMA certification signifies that an individual has met initial and on-going experience, ethical, education, and examination requirements for investment management consulting, including advanced investment management theory and application. Prerequisites for the CIMA certification are three years of financial services experience and an acceptable regulatory history. To obtain the CIMA certification, candidates must pass an online Qualification Examination, successfully complete a one-week classroom education program provided by a Registered Education Provider at an AACSB accredited university business school, pass an online Certification Examination, and have an acceptable regulatory history as evidenced by FINRA Form U-4 or other regulatory requirements. CIMA designees are required to adhere to IMCA's *Code of Professional Responsibility, Standards of Practice, and Rules and Guidelines for Use of the Marks*. CIMA designees must report 40 hours of continuing education credits, including two ethics hours, every two years to maintain the certification. The designation is administered through Investment Management Consultants Association (IMCA).

Certified Investment Management Consultant (CIMC®): 2002

As of December 2003, new CIMC certifications are no longer granted. When the designation was issued, its content focused on investment consulting. Current CIMC designees can maintain the designation through Investment Management Consultants Association (IMCA). CIMC designees are required to adhere to IMCA's *Code of Professional Responsibility, Standards of Practice, Rules and Guidelines for Use of the Marks*, and have an acceptable regulatory history as evidenced by FINRA Form U-4 or other regulatory requirements. CIMC designees must report 40 hours of continuing

education credits, including two ethics hours, every two years to maintain the designation

Certified Financial Planner™ (CFP®): 2002

Certified Financial Planner is a designation granted by the CFP Board. CFP® requirements:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP Board (www.cfp.net).
- Successful completion of the 10-hour CFP® Certification Exam.
- Three-year qualifying full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.
- When you achieve your CFP® designation, you must renew your certification every year, pay \$360 certification fee and complete 30 hours of continuing education.

Item 3 Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Jon Melander has no reportable disciplinary history.

Item 4 Other Business Activities

Registered Representative of Cambridge Investment Research, Inc.

Capstone Advisory Group has contracted with Cambridge Investment Research, Inc. ("Cambridge") a broker-dealer registered with the SEC, and a member FINRA and SIPC, to provide brokerage and custodial services on behalf of the Firm's clients. In order to implement some of our recommendations of advisory services, our advisers may need to be registered representatives of Cambridge. Mr. Melander is a registered representative with Cambridge.

Clients are advised they have total freedom to implement recommendations through any broker-dealer of their choosing. However, if clients choose to implement the advice provided by Mr. Melander in his separate capacity as registered representative, Cambridge will be used to open the account and commissions may be earned in addition to any fees paid for advisory services. Mr. Melander is required to use the services of Cambridge and their approved product types. Cambridge has a wide range of approved securities products for which Cambridge performs due diligence prior to selection. Mr. Melander is required to adhere to these products when implementing securities transactions through Cambridge. Commissions charged for these products may be higher or lower than commissions clients may be able to obtain if transactions were implemented through another broker-dealer. Mr. Melander may have a conflict of interest in having clients purchase securities and/or insurance related products through Cambridge in that the higher his production with Cambridge, the greater potential for obtaining a higher pay-out on commissions earned.

Mr. Melander's compensation is comprised of a base salary, commissions, advisory fees, mark ups and mark downs, and 12b-1 fees. Earnings are based on customer transactions executed at the broker-dealer, customer transactions with mutual funds, and/or customer

insurance product sales. Mr. Melander may receive commissions and 12b-1 fees from the execution of securities transactions and certain mutual fund companies. The 12b-1 fees are outlined in the mutual fund companies fund prospectus. 12b-1 fees come from the fund assets, therefore, indirectly from client assets. The receipt of such fees could represent an incentive for the adviser to recommend funds with 12b-1 fees over funds that have no fees or lower fees.

Cambridge also provides Mr. Melander and Capstone Advisory Group, LLC with back-office operational, technology, record-keeping, client reporting, and other administrative support. Other services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. Such services are intended to help Mr. Melander and Capstone service their clients, manage their business, and further develop its business activities.

Mr. Melander will set forth high ethical standards of business conduct and compliance with applicable federal and state securities laws. Mr. Melander at all times will be loyal, fair, and have good faith towards his clients. Mr. Melander will put his client's interest first and foremost. Mr. Melander is required to adhere to the Firm's Code of Ethics and to the general principles that guide the Code. The Code of Ethics is designed to assure that personal transactions, activities and interest will not interfere with making decisions in the best interest of advisory clients.

Independent Insurance Agent for Various Insurance Companies

The various insurance companies are unaffiliated entities of Capstone. Mr. Melander is able to affect the purchase of insurance products to implement recommendations for clients. He may receive separate and typical compensation for insurance and/or annuity implementation transactions.

Mr. Melander 's compensation is comprised of commissions and trailer fees. Earnings are based on customer transactions with the insurance company for customer insurance product sales.

Mr. Melander will set forth high ethical standards of business conduct and compliance with applicable federal and state securities laws. Mr. Melander at all times will be loyal, fair, and have good faith towards his clients. Mr. Melander will put his client's interest first and foremost. Mr. Melander is required to adhere to the Firm's Code of Ethics and to the general principles that guide the Code. The Code of Ethics is designed to assure that personal activities and interest will not interfere with making decisions in the best interest of advisory clients.

Item 5 Additional Compensation

Jon Melander receives commissions, bonuses or other compensation on the sale of securities or other investment products.

Compensation for services performed outside the scope of the Advisory Services Agreement, by the Investment Advisor Representative, such as compensation for services performed in his capacity as Registered Representative of Cambridge, and his capacity as a licensed insurance agent or broker, may consist of commissions from product sales to the client, which would be compensation in addition to the fee paid under the executed Advisory Services Agreement. Because these commissions, services, and other payments outside of the scope of the Advisory Services clearly present a conflict of interest, all clients should consider these conflicts when deciding on any recommendations.

Item 6 Supervision

The designated supervisor will review on a regular basis each account's portfolio based upon such factors as the account's investment objectives, client guidelines, market conditions, changes in the client's financial status communicated by the client, and the size and complexity of the account. The transactions in an account will be reviewed to ensure the accurate input of securities, withdrawals, and deposits. Certain activities are reviewed daily, such as security trades, withdrawals, and deposits, whereas other activities such as allocation on the statements, portfolio holdings, and performance reports will be reviewed on a quarterly basis.

Additional oversight practices of the Firm include:

Every officer, adviser, and employee has a responsibility for knowing, following, and attesting to their compliance with the Firm's policies and procedures. The policies and procedures are designed to set standards and internal controls for the Firm, its advisers, employees, and its business practices. These policies and procedures are designed to prevent, detect, and correct any violations of regulatory or firm policies. The Firm also provides an annual compliance meeting, on-going and targeted compliance training, and review of advisers and employees personal trading accounts. The Firm will impose sanctions for violations of the Firm's policies or regulatory requirements.

Supervisor: Gregory Mortenson

Title: Compliance Officer

Phone Number: 952-562-2444