

Paul Daniel Woolfrey

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This Brochure Supplement provides information about Paul Woolfrey that supplements the Capstone Advisory Group, LLC Brochure. You should have received a copy of that Brochure. Please contact Paul Woolfrey 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 Paul Woolfrey 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: Paul Daniel Woolfrey

Born: 1959

Education

- University of North Dakota, Grand Forks, ND; BA, Journalism & Political Science; 1982
- North Dakota State University of Fargo; areas of study, Chemistry and Engineering

Business Experience

- Capstone Advisory Group, LLC; from 11/2011 to Present
Investment Advisory Representative
- Cambridge Investment Research, Inc; from 11/2011 to Present
Registered Representative
- Sammons Securities Company, Inc.; 04/2004 to 11/2011;
Registered Representative
- SPC; 04/2004 to 11/2011;
Investment Advisor Representative

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. Paul Woolfrey has no reportable disciplinary history.

Item 4 Other Business Activities

A. Investment-Related Activities

1. Paul Woolfrey is also engaged in the following investment-related 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. Woolfrey 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. Woolfrey 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. Woolfrey 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. Woolfrey 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. Woolfrey 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. Woolfrey'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. Woolfrey 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. Woolfrey 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. Lauer and Capstone service their clients, manage their business, and further develop its business activities.

Mr. Woolfrey will set forth high ethical standards of business conduct and compliance with applicable federal and state securities laws. Mr. Woolfrey at all times will be loyal, fair, and have good faith towards his clients. Mr. Lauer will put his client's interest first and foremost. Mr. Woolfrey 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. Woolfrey 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. Woolfrey'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. Woolfrey will set forth high ethical standards of business conduct and compliance with applicable federal and state securities laws. Mr. Woolfrey at all times will be loyal, fair, and have good faith towards his clients. Mr. Woolfrey will put his client's interest first and foremost. Mr. Woolfrey 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.

2. Paul Woolfrey 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.

B. Non-Investment-Related Activities

Paul Woolfrey is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his time.

Item 5 Additional Compensation

Paul Woolfrey does not receive any economic benefit from a non-advisory client for the provision of advisory services.

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