

**Capital Developers, LLC**  
*doing business as*  
**Milestone Wealth**

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**June 24, 2019**

**FORM ADV PART 2A BROCHURE**

This brochure provides information about the qualifications and business practices of Milestone Wealth. If you have any questions about the contents of this brochure, contact us at (252) 756-7005. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Milestone Wealth is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training. Additional information about Milestone Wealth is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

On February 28, 2019, we submitted our annual updating amendment for fiscal year ending December 2018; we had no material changes to report.

On June 24, 2019, we updated our brochure to reflect a change in the way our advisory fees are calculated. Fees are calculated based on the breakpoints stated in the following fee schedules.

### **Annual Fee Schedule Portfolio Management Services**

<b>Assets Under Management</b>	<b>Annual Fee</b>
\$0 - \$500,000	1.50%
\$500,001 - \$1,000,000	1.25%
Over \$1,000,001	1.00%

### **Annual Fee Schedule Financial Consulting Services**

<b>Asset Value</b>	<b>Annual Fee</b>
\$0 - \$500,000	1.50%
\$500,001 - \$1,000,000	1.25%
Over \$1,000,001	1.00%

Additionally, due to an increase in regulatory assets under management, we have applied for registration as a federally registered investment adviser. This change does not affect the way we conduct business or the services we provide to you. It simply means that we will now be subject to regular examination by the United States Securities and Exchange Commission (SEC).

As an SEC-registered adviser, where you authorize us in writing to debit your advisory fees from your account held by a qualified custodian, we are no longer required send you an invoice showing the amount of the fee, the value of the assets on which the fee is based, the time period covered by the fee, and the specific manner in which the fee was calculated. We encourage you to carefully review the statement(s) you receive from the qualified custodian for accuracy, since the qualified custodian does not verify the calculation of the fee. If you have a question regarding your account statement, or if you did not receive a statement from your custodian, contact us immediately at (252) 756-7005.

If you have questions about these changes or if you would like a current copy of our brochure at any time free of charge, please contact us at 205-D Plaza Drive, Greenville, NC 27858 or (252) 756-7005.

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## **Item 4 Advisory Business**

### **Description of Firm**

Capital Developers, LLC d/b/a Milestone Wealth is a registered investment adviser based in Greenville, North Carolina. We are organized as a limited liability company ("LLC") under the laws of the State of North Carolina. We have been providing investment advisory services since April 2018. We are owned by David R. Hunt.

The following paragraphs describe our services and fees. Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we," "our," and "us" refer to Milestone Wealth and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

### **Portfolio Management Services**

We offer discretionary portfolio management services. Our investment advice is tailored to meet our clients' needs and investment objectives. If you retain our firm for portfolio management services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information at the beginning of our advisory relationship. We will use the information we gather to develop a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf. As part of our portfolio management services, we may customize an investment portfolio for you according to your risk tolerance and investing objectives. We may also invest your assets according to one or more model portfolios developed by our firm. Once we construct an investment portfolio for you, or select a model portfolio, we will monitor your portfolio's performance on an ongoing basis, and will rebalance the portfolio as required by changes in market conditions and in your financial circumstances.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and the appropriate trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing.

In limited circumstances and in our sole discretion, we may also offer non-discretionary portfolio management services. If you enter into a non-discretionary arrangement with our firm, we must obtain your approval prior to executing any transactions on behalf of your account. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

As referenced above, we may invest your assets according to one or more model portfolios developed by our firm. These models are designed for investors with varying degrees of risk tolerance ranging from a more aggressive investment strategy to a more conservative investment approach. Clients whose assets are invested in model portfolios may not set restrictions on the specific holdings or allocations within the model, nor the types of securities that can be purchased in the model. Nonetheless, clients may impose restrictions on investing in certain securities or types of securities in their account. In such cases, this may prevent a

client from investing in certain models that are managed by our firm.

#### *Recommendation of Sub-Advisers*

As part of our advisory services, we may recommend one or more sub-advisers to manage a portion or all of your account on a discretionary basis. The sub-adviser(s) may use one or more of their model portfolios to manage your account. We will regularly monitor the performance of your accounts managed by sub-adviser(s). We do not have discretionary authority to hire and fire sub-adviser(s) and/or reallocate your assets to other money manager(s)/programs; however, we would make such recommendations for you to do so where we deem such action to be appropriate. Please consult with the relevant sub-adviser regarding their policies on imposing restrictions on investments in particular securities or certain types of securities. Sub-advisers charge separate fees in addition to our advisory fees. The combined total fee you pay to the sub-adviser and to us will not exceed 2.0% of the assets under management annually.

The advisory fee you pay to the sub-adviser is established and payable in accordance with the ADV brochure provided by each sub-adviser. These fees may or may not be negotiable. You may terminate your advisory relationship with the sub-adviser according to the terms of your agreement with the sub-adviser. You should contact the sub-adviser directly for questions regarding your advisory agreement with the sub-adviser. You should review each sub-adviser's advisory agreement and disclosure brochure(s) for specific information on your relationship with the sub-adviser and how you may terminate your agreement and/or receive a refund, if applicable. Lower fees for comparable services may be available elsewhere.

#### **Financial Planning Services**

We offer financial planning services which typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. These services can range from broad-based financial planning to consultative or single subject planning. Our Broad-based financial planning provides an overall view of the client's financial picture and generally includes an assessment of your risk tolerance, time horizon, asset allocation, diversification, analysis of concentrated equity holdings, and preparing a written client investment plan/report.

*Individual Broad-Based Plans* -- For individuals the following are incorporated into your broad-based financial plan (*starting at \$3,500*):

- Current Financial Situation - approximately 3 hours
- Income Analysis - Cash Flow/Budget Statement - approximately 2 hours
- Investment Planning - approximately 2 hours
- Additional add-ons (as applicable) will be incorporated into the individual's broad-based plan

*Corporate Executive Services Broad-Based Plans* -- the following are incorporated into the corporate executive broad-based financial plan (*starting at \$3,500*):

- Stock Options Planning - approximately 1 hour
- Restricted Stock Analysis - approximately 1 hour
- Employee Benefits Analysis – approximately 1 hour
- Additional add-ons (as applicable) will be incorporated into corporate executive's broad-based plan

*Business Owners Broad-Based Plans* -- the following are incorporated into the corporate executive broad-based financial plan (*starting at \$3,500*)

- Business Retirement Plan Needs Analysis - approximately 2 hours
- Business Succession Planning - approximately 3 hours
- Business / Key Man Insurance Review - approximately 2 hours
- Long Term Care Plan Sponsorship - approximately 2 hours
- Disability Income Protection - approximately 2 hours
- Non-Qualified Plan(s) Deferred Compensation Review - approximately 3 hour
- Additional add-ons (as applicable) will be incorporated into business owner's broad-based plan

*Additional Add-Ons* -- the following items, will be incorporated into any of the broad-based plans as needed (*each additional add-on is either \$500 or \$1,000*)

- Education Funding Analysis - approximately 1 hour
- Retirement Planning - approximately 2 hours
- Retirement Savings Analysis - approximately 1 hour
- Retirement Income Analysis - approximately 1 hour
- Debt Management Review - approximately 1 hour
- Life Insurance Review/Need Analysis - approximately 1 hour
- Disability Insurance Review/Need Analysis - approximately 1 hour
- Long Term Care Insurance Review/Need Analysis - approximately 1 hour
- Estate Planning Review - approximately 1 hour
- Charitable Giving Strategy Review - approximately 1 hour
- Tax Planning – approximately 1 hour

Our consultative or single subject planning is "a la carte." The consultative or single subject planning is not comprehensive and clients typically will select one to two items referenced above.

If you retain our firm for financial planning services, we will meet with you to gather information about your financial circumstances and objectives. We may also use financial planning software to determine your current financial position and to define and quantify your long-term goals and objectives. Once we specify those long-term objectives (both financial and non-financial), we will develop shorter-term, targeted objectives. Once we review and analyze the information you provide to our firm and the data derived from our financial planning software, we will deliver a written plan to you, designed to help you achieve your stated financial goals and objectives.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to us. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

### **Financial Consulting Services**

We offer financial consulting services that primarily involve advising clients on specific financial-related topics. The topics we address may include, but are not limited to, risk assessment/management, estate planning/administration, investment planning, asset allocation,

financial organization, financial decision making/negotiation, debt planning, and/or budgeting.

### **Wrap Fee Programs**

We do not participate in any wrap fee program.

### **Types of Investments**

We primarily offer advice on mutual funds and exchange traded funds (ETFs). However, we may also advise you on various types of investments based on your stated goals and objectives. Additionally, we may provide advice on any type of investment held in your portfolio at the inception of our advisory relationship. Refer to the *Methods of Analysis, Investment Strategies and Risk of Loss* below for additional disclosures on this topic.

### **Assets Under Management**

As of June 20, 2019, we manage approximately \$103,743,631 in client assets on a discretionary basis, and no client assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

### **Portfolio Management Services**

Our fee for portfolio management services is based on a percentage of the assets in your account in accordance with the breakpoints set forth in the following annual fee schedule:

#### **Annual Fee Schedule Portfolio Management Services**

<b>Assets Under Management</b>	<b>Annual Fee</b>
\$0 - \$500,000	1.50%
\$500,001 - \$1,000,000	1.25%
Over \$1,000,001	1.00%

Our fee is negotiable depending on the scope and complexity of services rendered, but will not exceed 1.50%. Our annual portfolio management fee is billed and payable, monthly in advance, based on the balance at start of the billing period.

If the portfolio management agreement is executed at any time other than the first day of a calendar month, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the month for which you are a client.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when the following requirements are met:

- You provide our firm with written authorization permitting the fees to be paid directly from your account held by the qualified custodian.



- The qualified custodian agrees to send you a statement, at least quarterly, indicating all amounts disbursed from your account including the amount of the advisory fee paid directly to our firm.

We encourage you to carefully review the statement(s) you receive from the qualified custodian for accuracy, since the qualified custodian does not verify the calculation of the fee. If you find any inconsistent information on the statement(s) you receive from the qualified custodian call our main office number located on the cover page of this brochure.

Unless a client has received the firm's disclosure brochure at least 48 hours prior to signing the investment advisory contract, the investment advisory contract may be terminated by the client within five (5) business days of signing the contract without incurring any advisory fees. Otherwise, you may terminate the portfolio management agreement by providing us with written notice. Upon receipt of your written notice, the portfolio management agreement will terminate at the end of the month in which we receive your written notice.

You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the month for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

### **Financial Planning Services**

We charge a fixed fee for financial planning services, which generally ranges between \$500 and \$10,000. The fee is negotiable depending upon the complexity and scope of the plan, your financial situation, and your objectives. Client shall pay 50% percent of the estimated fee upon executing the Financial Planning Services Agreement. The remaining balance is due as invoiced by Adviser. We do not require you to pay fees six or more months in advance and in excess of \$500. Should the engagement last longer than six months between acceptance of financial planning agreement and delivery of the financial plan, any prepaid unearned fees will be promptly returned to you less a pro rata charge for bona fide financial planning services rendered to date.

Unless a client has received the firm's disclosure brochure at least 48 hours prior to signing the investment advisory contract, the investment advisory contract may be terminated by the client within five (5) business days of signing the contract without incurring any advisory fees. Otherwise, you may terminate the financial planning agreement by providing us with written notice. Upon receipt of your written notice, the financial planning agreement will terminate at the end of the month in which we receive your written notice. If you have pre-paid financial planning fees that we have not yet earned, you will receive a prorated refund of those fees. If financial planning fees are payable in arrears, you will be responsible for a prorated fee based on services performed prior to termination of the financial planning agreement.

### **Financial Consulting Services**

We charge either a fixed fee or a percentage of the assets under our advisement for financial consulting services, as set forth in the fee schedules below.

Fixed Fees: Our fixed fees are negotiable and range from \$500-\$10,000, depending on the scope and complexity of services rendered. Depending on the nature of the engagement, whether on-going or a one-time engagement to terminate upon completion of the services, client shall either pay 50% percent of the estimated fee upon executing the Financial Consulting Services Agreement with the remaining balance due upon completion (for a one time



engagement) or client shall pay our fee as invoiced on a quarterly basis.

**Asset Based Fees:** Asset based fees are based on a percentage of your outside assets that we are providing advisory/consulting service to, such as individual 401K plans or other assets that are not subject to our ongoing and continuous supervision. Our fee is negotiable depending on the scope and complexity of services rendered, but will not exceed 1.50%. Our financial consulting fee is billed and payable, quarterly in advance, based on the balance at start of the billing period. If the financial consulting agreement is executed at any time other than the first day of the calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Fees are calculated in accordance with the breakpoints set forth in the annual fee schedule as follows:

#### **Annual Fee Schedule Financial Consulting Services**

<b>Asset Value</b>	<b>Annual Fee</b>
\$0 - \$500,000	1.50%
\$500,001 - \$1,000,000	1.25%
\$1,000,001	1.00%

For asset based fees, you shall pay our fee as invoiced on a quarterly basis or we will deduct our fee directly from an authorized account. We will deduct our advisory fee only when the following requirements are met:

- You provide our firm with written authorization permitting the fees to be paid directly from your account held by a qualified custodian.
- The qualified custodian agrees to send you a statement, at least quarterly, indicating all amounts disbursed from your account including the amount of the advisory fee paid directly to our firm.

We encourage you to carefully review the statement(s) you receive from the qualified custodian for accuracy, since the qualified custodian does not verify the calculation of the fee. If you find any inconsistent information on the statement(s) you receive from the qualified custodian call our main office number located on the cover page of this brochure.

Unless a client has received the firm's disclosure brochure at least 48 hours prior to signing the investment advisory contract, the investment advisory contract may be terminated by the client within five (5) business days of signing the contract without incurring any advisory fees. Otherwise, you may terminate the financial consulting agreement by providing us with written notice. Upon receipt of your written notice, the financial consulting agreement will terminate at the end of the month in which we receive your written notice. If you have pre-paid financial consulting fees that we have not yet earned, you will receive a prorated refund of those fees. If financial consulting fees are payable in arrears, you will be responsible for a prorated fee based on services performed prior to termination of the financial planning agreement.

#### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their

shareholders. These fees will generally include a management fee and other fund expenses. You may also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, refer to the *Brokerage Practices* section of this brochure.

### **Compensation for the Sale of Securities or Other Investment Products**

Persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

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

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of a capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in the *Fees and Compensation* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

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

We offer investment advisory services to individuals, high net worth individuals, and corporations or other businesses entities.

In general, we require a minimum of \$500,000 to open and maintain an advisory account. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management.

We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

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

#### **Our Methods of Analysis and Investment Strategies**

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

**Charting Analysis** - involves the gathering and processing of price and volume pattern information for a particular security, sector, broad index, or commodity. This price and volume pattern information is analyzed. The resulting pattern and correlation data is used to detect departures from expected performance and diversification and predict future price movements

and trends.

**Risk:** Our charting analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

**Technical Analysis** - involves studying past price patterns, trends, and interrelationships in the financial markets to assess risk-adjusted performance and predict the direction of both the overall market and specific securities.

**Risk:** The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

**Fundamental Analysis** - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

**Risk:** The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

**Cyclical Analysis** - a type of technical analysis that involves evaluating recurring price patterns and trends. Economic/business cycles may not be predictable and may have many fluctuations between long-term expansions and contractions.

**Risk:** The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

**Modern Portfolio Theory** - a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully diversifying the proportions of various assets.

**Risk:** Market risk is that part of a security's risk that is common to all securities of the same general class (stocks and bonds) and thus cannot be eliminated by diversification.

**Long-Term Purchases** - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

**Risk:** Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term

in other investments.

**Short-Term Purchases** - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

**Risk:** Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

**Option Writing** - a securities transaction that involves selling an option. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell a particular security at a specified price on or before the expiration date of the option. When an investor sells a call option, he or she must deliver to the buyer a specified number of shares if the buyer exercises the option. When an investor sells a put option, he or she must pay the strike price per share if the buyer exercises the option, and will receive the specified number of shares. The option writer/seller receives a premium (the market price of the option at a particular time) in exchange for writing the option.

**Risk:** Options are complex investments and can be very risky, especially if the investor does not own the underlying stock. In certain situations, an investor's risk can be unlimited.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

**It is important that you notify us immediately with respect to any material changes to your financial circumstances, including for example, a change in your current or expected income level, tax circumstances, or employment status.**

### **Tax Considerations**

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets.

Moreover, custodians and broker-dealers must report the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the First-In First-Out ("FIFO") accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

**Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

**Other Risk Considerations**

When evaluating risk, financial loss may be viewed differently by each client and may depend on many different risks, each of which may affect the probability and magnitude of any potential losses. The following risks may not be all-inclusive, but should be considered carefully by a prospective client before retaining our services.

**Liquidity Risk:** The risk of being unable to sell your investment at a fair price at a given time due to high volatility or lack of active liquid markets. You may receive a lower price or it may not be possible to sell the investment at all.

**Credit Risk:** Credit risk typically applies to debt investments such as corporate, municipal, and sovereign fixed income or bonds. A bond issuing entity can experience a credit event that could impair or erase the value of an issuer's securities held by a client.

**Inflation and Interest Rate Risk:** Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of a client's future interest payments and principal. Inflation also generally leads to higher interest rates which may cause the value of many types of fixed income investments to decline.

**Horizon and Longevity Risk:** The risk that your investment horizon is shortened because of an unforeseen event, for example, the loss of your job. This may force you to sell investments that you were expecting to hold for the long term. If you must sell at a time that the markets are down, you may lose money. Longevity Risk is the risk of outliving your savings. This risk is particularly relevant for people who are retired, or are nearing retirement.

**Recommendation of Particular Types of Securities**

We primarily recommend Mutual funds, and ETFs. However, we may advise on other types of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment.

**Mutual Funds and Exchange Traded Funds:** Mutual funds and exchange traded funds ("ETF") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day

like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end." So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of the Underlying Index or other benchmark, which may negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track the performance of their Underlying Indices or benchmarks on a daily basis, mathematical compounding may prevent the ETF from correlating with performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its Underlying Index, or its weighting of investment exposure to such securities may vary from that of the Underlying Index. Some ETFs may invest in securities or financial instruments that are not included in the Underlying Index, but which are expected to yield similar performance.

**Money Market Funds:** A money market fund is technically a security. The fund managers attempt to keep the share price constant at \$1/share. However, there is no guarantee that the share price will stay at \$1/share. If the share price goes down, you can lose some or your entire principal. The U.S. Securities and Exchange Commission ("SEC") notes that "While investor losses in money market funds have been rare, they are possible." In return for this risk, you should earn a greater return on your cash than you would expect from a Federal Deposit Insurance Corporation ("FDIC") insured savings account (money market funds are not FDIC insured). Next, money market fund rates are variable. In other words, you do not know how much you will earn on your investment next month. The rate could go up or go down. If it goes up, that may result in a positive outcome. However, if it goes down and you earn less than you expected to earn, you may end up needing more cash. A final risk you are taking with money market funds has to do with inflation. Because money market funds are considered to be safer than other investments like stocks, long-term average returns on money market funds tends to be less than long term average returns on riskier investments. Over long periods of time, inflation can eat away at your returns.

**Certificates of Deposit:** Certificates of deposit are generally the safest type of investment since they are insured by the federal government up to a certain amount. However, because the returns are generally very low, it is possible for inflation to outpace the return. Likewise, U.S. government securities are backed by the full faith and credit of the U.S. government but it is also possible for the rate of inflation to exceed the returns.

**Municipal Securities:** Municipal securities, while generally thought of as safe, can have significant risks associated with them including, but not limited to: the credit worthiness of the governmental entity that issues the bond; the stability of the revenue stream that is used to pay the interest to the bondholders; when the bond is due to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same amount of interest or yield to maturity.

**Bonds:** Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can



be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.

**Stocks:** There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, better established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") are but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

**Commercial Paper:** Commercial paper ("CP") is, in most cases, an unsecured promissory note that is issued with a maturity of 270 days or less. Being unsecured the risk to the investor is that the issuer may default. There is a less risk in asset based commercial paper (ABCP). The difference between ABCP and CP is that instead of being an unsecured promissory note representing an obligation of the issuing company, ABCP is backed by securities. Therefore, the perceived quality of the ABCP depends on the underlying securities.

**Variable Annuities:** A variable annuity is a form of insurance where the seller or issuer (typically an insurance company) makes a series of future payments to a buyer (annuitant) in exchange for the immediate payment of a lump sum (single-payment annuity) or a series of regular payments (regular-payment annuity). The payment stream from the issuer to the annuitant has an unknown duration based principally upon the date of death of the annuitant. At this point, the contract will terminate and the remainder of the funds accumulated forfeited unless there are other annuitants or beneficiaries in the contract. Annuities can be purchased to provide an income during retirement. Unlike fixed annuities that make payments in fixed amounts or in amounts that increase by a fixed percentage, variable annuities, pay amounts that vary according to the performance of a specified set of investments, typically bond and equity mutual funds. Many variable annuities typically impose asset-based sales charges or surrender charges for withdrawals within a specified period. Variable annuities may impose a variety of fees and expenses, in addition to sales and surrender charges, such as mortality and expense risk charges; administrative fees; underlying fund expenses; and charges for special features, all of which can reduce the return. Earnings in a variable annuity do not provide all the tax advantages of 401(k)s and other before-tax retirement plans. Once the investor starts withdrawing money from their variable annuity, earnings are taxed at the ordinary income rate, rather than at the lower capital gains rates applied to other non-tax-deferred vehicles which are held for more than one year. Proceeds of most variable annuities do not receive a "step-up" in cost basis when the owner dies like stocks, bonds, and mutual funds do. Some variable annuities offer "bonus credits." These are usually not free. In order to fund them, insurance companies typically impose mortality and expense charges and surrender charge periods. In an exchange of an existing annuity for a new annuity (so-called 1035 exchanges), the new variable annuity may have a lower contract value and a smaller death benefit; may impose new surrender charges or increase the period of time for which the surrender charge applies; may have higher annual fees; and provide another commission for the broker.

**Real Estate Investment Trust:** A real estate investment trust ("REIT") is a corporate entity which invests in real estate and/or engages in real estate financing. A REIT reduces or eliminates corporate income taxes. REITs can be publicly or privately held. Public REITs may be listed on public stock exchanges. REITs are required to declare 90% of their taxable income as dividends, but they actually pay dividends out of funds from operations, so cash flow has to



be strong or the REIT must either dip into reserves, borrow to pay dividends, or distribute them in stock (which causes dilution). After 2012, the IRS stopped permitting stock dividends. Most REITs must refinance or erase large balloon debts periodically. The credit markets are no longer frozen, but banks are demanding, and getting, harsher terms to re-extend REIT debt. Some REITs may be forced to make secondary stock offerings to repay debt, which will lead to additional dilution of the stockholders. Fluctuations in the real estate market can affect the REIT's value and dividends.

Non-traded REITs are not publicly traded, which limits the information available on the REIT. Additionally, non-traded REITs lack liquidity and in many instances, there is a minimum period of time that you must hold the REIT before it can be sold. There may also be additional fees associated with selling the REIT. Also, in the case of a premature liquidation or redemption, your investment might realize a loss to the net asset value ("NAV"). Meaning, that the realized NAV of the fund will not be able to be obtained because of the liquidation or redemption. There might be also a premature liquidity penalty fee that the sponsor may charge. Non-traded REITs should always be seen as long term commitments

**Options Contracts:** Options are complex securities that involve risks and are not suitable for everyone. Option trading can be speculative in nature and carry substantial risk of loss. It is generally recommended that you only invest in options with risk capital. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an underlying asset at a specific price on or before a certain date (the "expiration date"). The two types of options are calls and puts:

- A call gives the holder the right to buy an asset at a certain price within a specific period of time. Calls are similar to having a long position on a stock. Buyers of calls hope that the stock will increase substantially before the option expires.
- A put gives the holder the right to sell an asset at a certain price within a specific period of time. Puts are very similar to having a short position on a stock. Buyers of puts hope that the price of the stock will fall before the option expires.

Selling options is more complicated and can be even riskier.

The option trading risks pertaining to options buyers are:

- Risk of losing your entire investment in a relatively short period of time.
- The risk of losing your entire investment increases if, as expiration nears, the stock is below the strike price of the call (for a call option) or if the stock is higher than the strike price of the put (for a put option).
- European style options which do not have secondary markets on which to sell the options prior to expiration can only realize its value upon expiration.
- Specific exercise provisions of a specific option contract may create risks.
- Regulatory agencies may impose exercise restrictions, which stops you from realizing value.

The option trading risks pertaining to options sellers are:

- Options sold may be exercised at any time before expiration.
- Covered Call traders forgo the right to profit when the underlying stock rises above the strike price of the call options sold and continues to risk a loss due to a decline in the underlying stock.
- Writers of Naked Calls risk unlimited losses if the underlying stock rises.
- Writers of Naked Puts risk unlimited losses if the underlying stock drops.

- Writers of naked positions run margin risks if the position goes into significant losses. Such risks may include liquidation by the broker.
- Writers of call options could lose more money than a short seller of that stock could on the same rise on that underlying stock. This is an example of how the leverage in options can work against the option trader.
- Writers of Naked Calls are obligated to deliver shares of the underlying stock if those call options are exercised.
- Call options can be exercised outside of market hours such that effective remedy actions cannot be performed by the writer of those options.
- Writers of stock options are obligated under the options that they sold even if a trading market is not available or that they are unable to perform a closing transaction.
- The value of the underlying stock may surge or ditch unexpectedly, leading to automatic exercises.

Other option trading risks are:

- The complexity of some option strategies is a significant risk on its own.
- Option trading exchanges or markets and option contracts themselves are open to changes at all times.
- Options markets have the right to halt the trading of any options, thus preventing investors from realizing value.
- Risk of erroneous reporting of exercise value.
- If an options brokerage firm goes insolvent, investors trading through that firm may be affected.
- Internationally traded options have special risks due to timing across borders.

Risks that are not specific to options trading include market risk, sector risk and individual stock risk. Option trading risks are closely related to stock risks, as stock options are a derivative of stocks.

**Structured Products:** A structured product, also known as a market-linked product, is generally a pre-packaged investment strategy based on derivatives, such as a single security, a basket of securities, options, indices, commodities, debt issuances, and/or foreign currencies, and to a lesser extent, swaps. Structured products are usually issued by investment banks or affiliates thereof. They have a fixed maturity, and have two components: a note and a derivative. The derivative component is often an option. The note provides for periodic interest payments to the investor at a predetermined rate, and the derivative component provides for the payment at maturity. Some products use the derivative component as a put option written by the investor that gives the buyer of the put option the right to sell to the investor the security or securities at a predetermined price. Other products use the derivative component to provide for a call option written by the investor that gives the buyer of the call option the right to buy the security or securities from the investor at a predetermined price. A feature of some structured products is a "principal guarantee" function, which offers protection of principal if held to maturity. However, these products are not always Federal Deposit Insurance Corporation insured; they may only be insured by the issuer, and thus have the potential for loss of principal in the case of a liquidity crisis, or other solvency problems with the issuing company. Investing in structured products involves a number of risks including but not limited to: fluctuations in the price, level or yield of underlying instruments, interest rates, currency values and credit quality; substantial loss of principal; limits on participation in any appreciation of the underlying instrument; limited liquidity; credit risk of the issuer; conflicts of interest; and, other events that are difficult to predict.

## **Item 9 Disciplinary Information**

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

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

We have not provided information on other financial industry activities and affiliations because we do not have any relationship or arrangement that is material to our advisory business or to our clients with any of the types of entities listed below.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker.
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund).
3. other investment adviser or financial planner.
4. futures commission merchant, commodity pool operator, or commodity trading advisor.
5. banking or thrift institution.
6. accountant or accounting firm.
7. lawyer or law firm.
8. insurance company or agency.
9. pension consultant.
10. real estate broker or dealer.
11. sponsor or syndicator of limited partnerships.

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

### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

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

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in

such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

### **Block Trading**

Our firm or persons associated with our firm may buy or sell securities for you at the same time we or persons associated with our firm buy or sell such securities for our own account. We may also combine our orders to purchase securities with your orders to purchase securities ("block trading"). Refer to the *Brokerage Practices* section in this brochure for information on our block trading practices.

A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

## **Item 12 Brokerage Practices**

We recommend the brokerage and custodial services of Raymond James Financial Services, Inc. (the "Custodian"). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. In recognition of the value of the services the Custodian provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, the most favorable compared to other available providers and their services. We consider various factors, including:

- Capability to buy and sell securities for your account itself or to facilitate such services.
- The likelihood that your trades will be executed.
- Availability of investment research and tools.
- Overall quality of services.
- Competitiveness of price.
- Reputation, financial strength, and stability.
- Existing relationship with our firm and our other clients.

### **Research and Other Soft Dollar Benefits**

We do not have any soft dollar arrangements.

### **Economic Benefits**

As a registered investment adviser, we have access to the institutional platform of your account custodian. As such, we will also have access to research products and other services, including but not limited to administrative and transitional support from your account custodian and/or other brokerage firm. These products are in addition to any benefits or research we pay for with soft dollars, and may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms, and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker

who did not provide research services or products might charge.

### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### **Block Trades**

For certain transactions, we may combine multiple orders for shares of the same securities purchased for discretionary advisory accounts we manage, when it is in the best interest of our clients. This practice is commonly referred to as "block trading." We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. Generally, participating accounts will pay a fixed transaction cost regardless of the number of shares transacted. In certain cases, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given day. In the event an order is only partially filled, the shares will be allocated to participating accounts in a fair and equitable manner, typically on a pro-rata basis. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

We do not block trade for non-discretionary accounts. Accordingly, non-discretionary accounts may pay different costs than discretionary accounts pay. If you enter into non-discretionary arrangements with our firm, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than clients who enter into discretionary arrangements with our firm.

## **Item 13 Review of Accounts**

### **Portfolio Management Account Reviews**

David R. Hunt, Principal, Belinda Butler, Chief Compliance Officer, and/or, the investment adviser representative assigned to your account will monitor your accounts on an ongoing basis and will conduct account reviews at least semi-annually, to ensure the advisory services provided to you are consistent with your investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to, contributions and withdrawals, year-end tax planning, market moving events, security specific events, and/or changes in your risk/return objectives.

We will not provide you with regular written reports. You will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

### **Financial Plan Reviews**

David R. Hunt, Principal Belinda Butler, Chief Compliance Officer, and/or the investment adviser representative assigned to your account will review financial plans as needed. These reviews are provided as part of the contracted services. We do not assess additional fees for financial plan reviews. Generally, we will contact you periodically to determine whether any updates may be needed based on changes in your circumstances. Changed circumstances may include, but are not limited to marriage, divorce, birth, death, inheritance, lawsuit, retirement, job loss, and/or disability, among others. We recommend meeting with you at least annually to review and update your plan if needed. Additional reviews will be conducted upon your request. Written updates to the financial plan will not be provided in conjunction with the review. If you implement financial planning advice, you will receive trade confirmations and monthly or quarterly statements from relevant custodians.

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

As disclosed under the *Fees and Compensation* section in this brochure, persons providing investment advice on behalf of our firm are licensed insurance agents. For information on the conflicts of interest this presents, and how we address these conflicts, refer to the *Fees and Compensation* section.

We directly compensate non-employee (outside) consultants, individuals, and/or entities (Solicitors) for client referrals. In order to receive a cash referral fee from our firm, Solicitors must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a Solicitor, you should have received a copy of this brochure along with the Solicitor's disclosure statement at the time of the referral. If you become a client, the Solicitor that referred you to our firm will receive a percentage of the advisory fee you pay our firm for as long as you are a client with our firm, or until such time as our agreement with the Solicitor expires. You will not pay additional fees because of this referral arrangement. Referral fees paid to a Solicitor are contingent upon your entering into an advisory agreement with our firm. Therefore, a Solicitor has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

Solicitors that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements. We request that our Solicitors disclose to you whether multiple referral relationships exist and that comparable services may be available from other advisers for lower fees and/or where the Solicitor's compensation is less favorable.

## **Item 15 Custody**

We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with an independent bank, broker-dealer, or other qualified custodian. Pursuant to your written authorization, as paying agent for our firm, your independent, qualified custodian will directly debit your account(s) for the payment of our advisory fees. Where the custodian calculates the fee on your behalf, you will receive account statements from the qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review all account statements for accuracy.

The ability for us to calculate the fee and send an invoice to the custodian(s) with the amount of the fee to be deducted from your account(s) causes our firm to exercise limited custody over your funds and/or securities. Additionally, we may be deemed to have custody in certain situations where we accept standing letters of authorization from clients to transfer assets to third parties as designated per the client's instructions. In all cases, we maintain safeguards in accordance with regulatory requirements and safekeeping guidelines regarding custody of client assets.

Where we calculated the fee, the custodian will not verify the calculation; therefore, you should carefully review the information reflected on each account statement from your account custodian(s) for accuracy. If you have a question regarding your account statement, or if you did not receive a statement from your custodian, contact us immediately at the telephone number on the cover page of this brochure.



## **Item 16 Investment Discretion**

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement and the appropriate trading authorization forms.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Refer to the *Advisory Business* section in this brochure for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

## **Item 17 Voting Client Securities**

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitations to vote proxies.

## **Item 18 Financial Information**

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$500 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.

We have not filed a bankruptcy petition at any time in the past ten years.

## **Additional Information**

### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.



We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

### **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

### **IRA Rollover Considerations**

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
  - a. Employer retirement plans generally have a more limited investment menu than IRAs.
  - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
  - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
  - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
  - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses, or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.

**David Hunt**

**Capital Developers, LLC**  
*doing business as*  
**Milestone Wealth**

205-D Plaza Drive  
Greenville, NC 27858

**Tel: (252) 756-7005**  
**Fax: (252) 756-7064**

**June 24, 2019**

**FORM ADV PART 2B BROCHURE SUPPLEMENT**

This brochure supplement provides information about David Hunt that supplements the Milestone Wealth brochure. You should have received a copy of that brochure. Contact us at (252) 756-7005 if you did not receive Milestone Wealth's brochure or if you have any questions about the contents of this supplement.

Additional information about David Hunt (CRD # 1856105) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 Educational Background and Business Experience

### David Hunt

*Year of Birth:* 1966

#### *Formal Education After High School:*

- Western Illinois University, BS, Agricultural Business, 8/1984 - 6/1988

#### *Business Background:*

- Capital Developers, LLC d/b/a Milestone Wealth, Investment Adviser Representative, 04/2018 - Present
  - Managing Member, 9/2012 - Present
- Raymond James Financial Services, Inc., Registered Representative, 9/2012 - 4/2018
- Raymond James Financial Services Advisors, Inc., Investment Adviser Representative, 9/2012 - 4/2018
- Edward Jones, Financial Advisor, 3/1988 - 9/2012

## Item 3 Disciplinary Information

Form ADV Part 2B requires disclosure of certain criminal or civil actions, administrative proceedings, and self-regulatory organization proceedings, as well as certain other proceedings related to suspension or revocation of a professional attainment, designation, or license. Mr. David Hunt has no required disclosures under this item.

## Item 4 Other Business Activities

David Hunt is separately licensed as an independent insurance agent. In this capacity, he can effect transactions in insurance products for his clients and earn commissions for these activities. The fees you pay our firm for advisory services are separate and distinct from the commissions earned by Mr. Hunt for insurance related activities. This presents a conflict of interest because Mr. Hunt may have a financial incentive to recommend insurance products to you. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

## Item 5 Additional Compensation

Refer to the *Other Business Activities* section above for disclosures on Mr. Hunt's receipt of additional compensation as a result of his other business activities.

Also, refer to the *Fees and Compensation, Client Referrals and Other Compensation, and Other Financial Industry Activities and Affiliations* sections of Milestone Wealth's firm brochure for additional disclosures on this topic.

## Item 6 Supervision

In the supervision of our associated persons, advice provided is limited based on the restrictions set by Milestone Wealth, and by internal decisions as to the types of investments that may be included in client portfolios. We conduct periodic reviews of client holdings and documented suitability information to provide reasonable assurance that the advice provided remains aligned with each client's stated investment objectives and with our internal guidelines. As Managing Member, Mr. Hunt is not supervised by others. He can be reached by phone at (252) 756-7005.

**Belinda Butler**

**Capital Developers, LLC**

*doing business as*

**Milestone Wealth**

205-D Plaza Drive  
Greenville, NC 27858

**Tel: (252) 756-7005**

**Fax: (252) 756-7064**

**June 24, 2019**

**FORM ADV PART 2B BROCHURE SUPPLEMENT**

This brochure supplement provides information about Belinda Butler that supplements the Milestone Wealth brochure. You should have received a copy of that brochure. Contact us at (252) 756-7005 if you did not receive Milestone Wealth's brochure or if you have any questions about the contents of this supplement.

Additional information about Belinda Butler (CRD # 3067338) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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

**Belinda Butler**

*Year of Birth: 1967*

### *Formal Education After High School:*

- Wesleyan College, BM, Music, 8/1987 - 5/1989
- Southern Baptist Theological Seminary, MCM, Church Music, 8/1989 - 5/1992

### *Business Background:*

- Capital Developers, LLC d/b/a Milestone Wealth, Chief Compliance Officer, 02/2018 - Present
- St. Timothy's Episcopal Church, Director of Music, 03/2017 - Present
- Private Piano Lessons, Piano Teacher, 08/2008 - Present
- Raymond James Financial Services, Inc., Registered Representative, 04/2016 - 04/2018
- Raymond James Financial Services Advisors, Inc., Investment Advisor Representative, 04/2016 - 04/2018
- Wells Fargo Advisors, Senior Registered Client Associate, 03/2009 - 04/2016
- First Baptist Church, Minister of Music, 02/2009 - 03/2017
- Merrill Lynch, Senior Registered Client Associate, 11/2005 - 02/2009
- Edward Jones, Financial Adviser, 11/2003 - 11/2005

## **Item 3 Disciplinary Information**

Form ADV Part 2B requires disclosure of certain criminal or civil actions, administrative proceedings, and self-regulatory organization proceedings, as well as certain other proceedings related to suspension or revocation of a professional attainment, designation, or license. Ms. Belinda Butler has no required disclosures under this item.

## **Item 4 Other Business Activities**

Belinda Butler is separately licensed as an independent insurance agent. In this capacity, she can effect transactions in insurance products for her clients and earn commissions for these activities. The fees you pay our firm for advisory services are separate and distinct from the commissions earned by Ms. Butler for insurance related activities. This presents a conflict of interest because Ms. Butler may have a financial incentive to recommend insurance products to you. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

Belinda Butler also serves as the Director of Music Ministry at St. Timothy's Episcopal Church. Ms. Butler's duties as the Director of Music Ministry do not create a conflict of interest to her provision of advisory services through Milestone Wealth. Ms. Butler devotes approximately 30 hours per month in this capacity, all of which occur after trading hours.

Additionally, Ms. Butler offers private piano lessons. Ms. Butler's duties as the piano teacher do not create a conflict of interest to her provision of advisory services through Milestone Wealth. Ms. Butler devotes approximately 40 hours per month in this capacity, all of which occur after trading hours.

## **Item 5 Additional Compensation**

Refer to the *Other Business Activities* section above for disclosures on Ms. Butler's receipt of

additional compensation as a result of her other business activities.

Also, refer to the *Fees and Compensation, Client Referrals and Other Compensation, and Other Financial Industry Activities and Affiliations* section(s) of Milestone Wealth's firm brochure for additional disclosures on this topic.

### **Item 6 Supervision**

In the supervision of our associated persons, advice provided is limited based on the restrictions set by Milestone Wealth, and by internal decisions as to the types of investments that may be included in client portfolios. We conduct periodic reviews of client holdings and documented suitability information to provide reasonable assurance that the advice provided remains aligned with each client's stated investment objectives and with our internal guidelines.

Ms. Butler reports directly to David R. Hunt, Managing Member. He can be reached by phone at (252) 756-7005.