

Firm Brochure

(Part 2A of Form ADV)



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This brochure provides information about the qualifications and business practices of Capstone Advisory Group, LLC. If you have any questions about the contents of this brochure, please contact us at 952-562-2440 or gmortenson@capstoneadvgroup.com. 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.

Capstone Advisory Group is a Registered Investment Adviser (RIA). Registration of an Investment Adviser does not imply a level of skill or training. The oral and written communications of an Adviser provide you with information you use to determine to hire or retain the Adviser.

Additional information about Capstone Advisory Group, LLC also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our Firm's CRD number is 153443. The SEC's web site also provides information about any persons affiliated with Capstone who are registered, or are required to be registered, as investment adviser representatives of Capstone.

Item 2: Material Changes

Since the last update on March 5, 2019, the following changes have occurred:

- Item 4 has been updated to reflect the most recent calculation of assets under management.
- Item 10 has been updated to reflect relationships with third party money managers

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

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Form ADV – Part 2A – Firm Brochure

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Item 4: Advisory Business

Capstone Advisory Group, LLC is a SEC Registered Investment Adviser. Capstone Advisory Group, LLC began conducting business in 2010. Capstone Advisory Group, LLC is an independent, fee based, comprehensive financial services firm committed to helping our clients improve their long-term financial success. Our customized programs are designed to grow, and conserve our clients' assets while delivering personalized services.

Listed below are the Firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Gregory Jerald Mortenson, Chief Compliance Officer, Principal
- Scott Michael Siverhus, Principal

Capstone Advisory Group, LLC offers personalized financial planning and investment advisory services to individuals, pension and profit-sharing plans, trust, estates, charitable and other non-profit organizations, corporations and other business entities. A complete description of the Firm's services and fee arrangements are described in the following pages:

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT

Our Firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment risk profile and create and manage a portfolio based on that profile. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

Clients may choose to engage us to manage these advisory accounts on a non-discretionary or discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Generally an asset allocation strategy is developed for each client. Assets are allocated first between equity and fixed income investments. Investments are then allocated to various sectors within the fixed income, equities and alternative investment categories based upon capitalization size, international or domestic classifications, and growth or value classifications. Individual securities, mutual funds, or separate account managers are then selected for these categories and sub categories. Investment assets may also be allocated to specialty areas.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Interests in partnerships investing in oil and gas interests
- Variable annuities
- Mutual fund shares
- Exchange traded funds
- United States governmental securities
- Options contracts on securities
- Interests in partnerships investing in real estate
- Alternative Investments
- Hedge funds

Since some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, past investment experience, tolerance for risk, liquidity, suitability, and market volatility.

ERISA PLAN SERVICES

Capstone provides service to qualified retirement plans including 401(k) plans, 403(b) plans, pension and profit sharing plans, cash balance plans, and deferred compensation plans. Capstone acts as a 3(21) advisor:

Limited Scope ERISA 3(21) Fiduciary. Capstone may serve as a limited scope ERISA 3(21) fiduciary that can advise, help and assist plan sponsors with their investment decisions on a non-discretionary basis. As an investment advisor Capstone has a fiduciary duty to act in the best interest of the Client. The plan sponsor is still ultimately responsible for the decisions made in their plan, though using Capstone can help the plan sponsor delegate liability by following a diligent process.

1. Fiduciary Services are:

- Provide non-discretionary investment advice to the Client about asset classes and investment alternatives available for the Plan in accordance with the Plan's investment policies and objectives. Client will make the final decision regarding the initial selection, retention, removal and addition of investment options. Capstone acknowledges that it is a fiduciary as defined in ERISA section 3 (21) (A) (ii).
- Assist the Client in the development of an investment policy statement ("IPS"). The IPS establishes the investment policies and objectives for the Plan. Client shall have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the IPS.
- Provide non-discretionary investment advice to the Plan Sponsor with respect to the selection of a qualified default investment alternative for participants who are

automatically enrolled in the Plan or who have otherwise failed to make investment elections. The Client retains the sole responsibility to provide all notices to the Plan participants required under ERISA Section 404(c) (5) and 404(a)-5.

- Assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformance to the guidelines set forth in the IPS and make recommendations to maintain, remove or replace investment options.
- Meet with Client on a periodic basis to discuss the reports and the investment recommendations.

2. Non-fiduciary Services are:

- Assist in the education of Plan participants about general investment information and the investment alternatives available to them under the Plan. Client understands Capstone's assistance in education of the Plan participants shall be consistent with and within the scope of the Department of Labor's definition of investment education (Department of Labor Interpretive Bulletin 96-1). As such, Capstone is not providing fiduciary advice as defined by ERISA 3(21)(A)(ii) to the Plan participants. Advisor will not provide investment advice concerning the prudence of any investment option or combination of investment options for a particular participant or beneficiary under the Plan.
- Assist in the group enrollment meetings designed to increase retirement plan participation among the employees and investment and financial understanding by the employees.

Capstone may provide these services or, alternatively, may arrange for the Plan's other providers to offer these services, as agreed upon between Advisor and Client.

3. Capstone has no responsibility to provide services related to the following types of assets ("Excluded Assets"):

- Employer securities;
- Real estate (except for real estate funds or publicly traded REITs);
- Stock brokerage accounts or mutual fund windows;
- Participant loans;
- Non-publicly traded partnership interests;
- Other non-publicly traded securities or property (other than collective trusts and similar vehicles); or
- Other hard-to-value or illiquid securities or property.

Excluded Assets will **not** be included in calculation of Fees paid to Capstone on the ERISA Agreement. Specific services will be outlined in detail to each plan in the 408(b)2 disclosure.

MANAGER SELECTION PROGRAMS

We also offer advisory management services to our clients through the Manager Selection Programs (hereinafter, "Programs").

Our Firm provides the client with an asset allocation strategy developed through personal discussions in which goals and objectives based on the client's particular circumstances are established.

Based on the client's individual circumstances and needs we will then perform management searches of various unaffiliated registered investment advisers to identify which registered investment adviser's portfolio management style is appropriate for that client. Factors considered in making this determination include account size, risk tolerance, the opinion of each client and the investment philosophy of the selected registered investment adviser. Clients should refer to the selected registered investment adviser's Firm Brochure or other disclosure document for a full description of the services offered. We are available to meet with clients on a regular basis, or as determined by the client, to review the account.

We monitor the performance of the selected registered investment adviser(s). If we determine that a particular selected registered investment adviser(s) is not providing sufficient management services to the client, or is not managing the client's portfolio in a manner consistent with the clients stated goals and objectives, we may suggest that the client contract with a different registered investment adviser and/or program sponsor. Under this scenario, our Firm assists the client in selecting a new registered investment adviser and/or program. For client accounts which Capstone has discretion over, this may be done on behalf of the client by Capstone.

Capstone offers discretionary direct asset management services to advisory clients utilizing Envestnet's wrap program described in detail in their appendix. The wrap program provides access to the portfolios on the Envestnet platform. Capstone will offer clients ongoing portfolio management services through determining individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, assets allocation, portfolio monitoring, and the overall investment program will be based on the above factors. The client will authorize Capstone discretionary authority to execute selected investment program transactions as stated within the Investment Advisory Agreement.

FINANCIAL PLANNING

We provide financial planning services. Capstone has historically provided Financial Planning to its clients who maintain accounts with the firm without charging a separate fee. However, we maintain the ability to charge for these services separately.

Financial planning services will typically involve providing a variety of services, principally advisory in nature, to individuals regarding the management of their financial resources based upon an analysis of individual client needs. We first conduct a complimentary initial consultation during which pertinent information about the client's financial circumstances and objectives is collected.

The financial planning process will involve the collection, organization, and assessment of all relevant client data as well as identification of the client's financial concerns, goals and objectives. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. The primary objective of this process is to allow Capstone to assist the client in developing a strategy for the successful management of income, assets, and liabilities in meeting the client's financial goals and objectives.

Financial plans are based on the client's financial situation at the time the plan is presented and are based on financial information disclosed by the client to us. Clients may receive a written report which provides the client with a detailed financial plan designed to assist the client in achieving his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We may review family records, budgeting, personal liability, Determination of present net worth, education planning, estate information and financial goals.
- **TAX & CASH FLOW:** We may analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **INVESTMENTS:** We may analyze investment alternatives; stock option strategies, and their effect on the client's portfolio.
- **INSURANCE:** We may review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **RETIREMENT:** We may analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We may review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We may assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, charitable objectives and planning, long term care, Medicaid and elder law.
- **MANAGEMENT FOR PENSION PLAN PARTICIPANTS:** We will work with individuals on determining their individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, and asset allocation are based on the above factors. The accounts will be monitored on a quarterly basis, unless requested otherwise by client.

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

The following investment products may be recommended for portfolios:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Interests in partnerships investing in oil and gas interests
- Variable annuities
- Mutual fund shares
- Exchange traded funds
- United States governmental securities
- Options contracts on securities
- Interests in partnerships investing in real estate
- Alternative Investments
- Hedge funds

Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

Implementation of financial plan recommendations is entirely at the client's discretion.

Capstone cannot offer any guarantees or promises that the client's financial goals and objectives will be met. Further, the client must continue to review any plan and update the plan based upon changes in the client's financial situation, goals, or objectives, or changes in the economy. As the client's financial situation, goals, objectives, or needs change, the client must notify Capstone promptly.

THIRD PARTY MANAGERS

When deemed appropriate for the Client, Capstone may recommend that Clients utilize the services of a Third Party Manager ("TPM") to manage a portion of, or your entire portfolio. All TPMs that Capstone recommends must either be registered as investment advisers with the Securities and Exchange Commission or with the appropriate state authority(ies).

After gathering information about your financial situation and objectives, an Associated Person of our firm will make recommendations regarding the suitability of a TPM or investment style based on, but not limited to, your financial needs, investment goals, tolerance for risk, and investment objectives. Upon selection of a TPM, Capstone will monitor the performance of the TPM to ensure their performance and investment style remains aligned with your investment goals and objectives.

In such circumstances, Capstone receives solicitor fees from the TPM. We act as the liaison between the Client and the TPM in return for an ongoing portion of the advisory fees charged by the TPM. We help the Client complete the necessary paperwork of the TPM, provides ongoing services to the Client. Ongoing services include but are not limited to:

1. Meet with the Client to discuss any changes in status, objectives, time horizon or suitability;
2. Update the TPM with any changes in Client status which is provided to Capstone by the Client;
3. Review the statements provided by the TPM; and

4. Deliver the Form ADV Part 2, Privacy Notice and Solicitors Disclosure Statement of the TPM to the Client.

Clients placed with TPM will be billed in accordance with the TPM's Fee Schedule which will be disclosed to the Client prior to signing an agreement. This is detailed in Item 10 of this brochure.

AMOUNT OF MANAGED ASSETS

As of July 10, 2019 we were actively managing \$298,417,773 of clients' assets on a non-discretionary basis and \$144,300,933 of clients' assets on a discretionary basis.

Item 5: Fees and Compensation

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT FEES

Our annual fees for Investment Supervisory Services are based upon a percentage of assets under management and generally range from .75% to 1.50%. There may be some additional fees or expenses clients pay in connection with our advisory services. See General Information in the section below.

The annualized fee for Investment Supervisory Services is charged as a percentage of assets under management, according to the following schedule:

ASSETS UNDER MANAGEMENT

Fee Rate	Asset Breakpoints
1.25%	\$0 - \$500,000
1.00%	\$500,001 - \$1,000,000
0.90%	\$1,000,001 - \$2,000,000
0.80%	\$2,000,001 - \$4,000,000
0.75%	\$4,000,001 - \$5,000,000
0.70%	\$5,000,001 +

Our fees are billed quarterly, in advance, at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous quarter. Fees will be debited from the account in accordance with the client authorization in the Client Services Agreement.

A minimum of \$150,000 of assets under management is generally required for this service. This account size may be negotiable under certain circumstances. Capstone Advisory Group, LLC may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Limited Negotiability of Advisory Fees: Although Capstone Advisory Group, LLC has established the aforementioned fee schedule; we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style,

account composition, among other factors. The specific annual fee schedule applied to a specific client is identified in the contract between the adviser and that client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

If a variable annuity contract is used in the implementation of your recommended investment strategies and the commission is paid up front to the adviser, your advisory account will not include these investment assets when computing the asset-based fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our Firm.

ERISA PLAN SERVICES

We charge an annual fee for Pension Consulting Services which ranges from .25% to 1.00% of plan assets depending on the services requested and the size of the plan.

Plan sponsors are invoiced in advance at the beginning of each calendar quarter. Some Plan sponsors are invoiced in advance on a monthly basis. If the services to be provided start any time other than the first day of a quarter or month, the fee will be prorated based on the number of days remaining in the quarter or month. If this Agreement is terminated prior to the end of the billing cycle, Client will be due a prorated refund of fees for days services were not provided in the billing cycle.

The fee schedule, which includes compensation of Capstone for the services is described in detail in Schedule A of the ERISA Plan Agreement. The Plan is obligated to pay the fees, however the Plan Sponsor may elect to pay the fees. Client may elect to be billed directly or have fees deducted from Plan Assets. Capstone does not reasonably expect to receive any additional compensation, directly or indirectly, for its services under this Agreement. If additional compensation is received, Capstone will disclose this compensation, the services rendered, and the payer of compensation. Capstone will offset the compensation against the fees agreed upon under the Agreement.

A minimum fee of \$2,500 is required. This minimum fee may limit Capstone Advisory Group, LLC from providing services to very small ERISA plans.

MANAGER SELECTION PROGRAMS

Through our manager selection program, we offer services to our clients through the Crystal Capital Fund, Series, LLC and Crystal Capital Strategies Fund, LLC. Fees for the services are provided in the following table:

Amount of Interests subscribed in the Funds per Portfolio	Management Fee Rate*		
	First \$50,000,000 of Relationship Assets **	Relationship Assets** from \$50,000,000 to \$100,000,000	Relationship Assets** over \$100,000,000
\$1,000,000 -	1.50%	1.25%	1.00%

\$9,999,999			
\$10,000,000 - \$24,999,999	1.25%	1.25%	1.00%
≥ \$25,000,000	1.00%	1.00%	1.00%
* The Management Fee Rate applicable to new Interests may be modified from time to time as set forth in the Investor's Subscription Documents.			
** "Relationship Assets" shall mean the aggregate Net Asset Value of the Interest for which Adviser is the Portfolio Adviser for all Related Funds.			
In addition to the Management Fees above, the Fund Manager may charge each Strategy in the Strategies Master Fund a "Strategy Advisory Fee" of 0.50% as the strategy advisor.			

Capstone Advisory Group, LLC will charge an additional fee of up to 1.00% for their services. The fee may be negotiable based on overall services provided by Capstone Advisory Group, LLC.

The fees will be calculated by Crystal Capital Fund, Series, LLC and Crystal Capital Strategies Fund, LLC for each client and will provide calculations to Capstone Advisory Group, LLC on a monthly basis. Capstone Advisory Group, LLC is responsible for reviewing and verifying the advisory fees, and will notify Crystal Capital Fund, Series, LLC and Crystal Capital Strategies Fund, LLC of any discrepancies within 15 calendar days from the date the advisory fees are posted. Crystal Capital Fund, Series, LLC and Crystal Capital Strategies Fund, LLC will automatically pay the advisory fees, if any, to Capstone Advisory Group, LLC per the payment instructions sixteen (16) calendar days after they have been posted following the end of each calendar quarter, unless there is a discrepancy. All advisory fee payments will be deemed final upon remittance by Crystal Capital Fund, Series, LLC and Crystal Capital Strategies Fund, LLC.

Through our manager selection program, we have a solicitor's agreement with Genworth Financial. Clients will be assessed an Initial Consulting Fee of up to one percent (1.00%) of any cash deposit or in-kind investment transfer of \$2,000 or more to an account managed by Genworth Financial. The Initial Consulting Fee is debited from the client account and remitted to Capstone Advisory Group, LLC. The amount of the Initial Consulting Fee will be determined in the agreement between Capstone Advisory Group, LLC and the client.

Envestnet's annual Fee may be negotiable. Accounts within the same household may be combined for a reduced fee. The fees charged by Capstone are in addition to the fees charged by Envestnet, any other investment advisor and the custodian. Fees are billed quarterly in advance. Envestnet's billing services calculates the fees for Envestnet, Capstone, the custody fee, and the manager fee. Monthly prorates are run to capture additional deposits or withdrawals and intra quarter account opening and closings. Fees collected by Envestnet from the client account will be distributed to the appropriate parties for payment. Lower fees for comparable services may be available from other sources. Clients may terminate their account within five business days of signing the Investment Advisory Agreement with no obligation. Clients may terminate advisory services with thirty (30) days written notice. Client will be

entitled to a pro rata refund for the days service was not provided in the final quarter. Client shall be given thirty(30) days prior written notice of any increase in fees.

FINANCIAL PLANNING FEES

Capstone Advisory Group, LLC's Financial Planning fees are calculated based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Our Financial planning fees are calculated using rates of up to \$100 per hour for staff time and \$250 per hour for advisor time or a fixed fee ranging from \$500 to \$3,500. At the time a plan is proposed, Capstone will provide a good faith estimate of the time required to prepare a plan and the total cost to the client.

Fees Offset By Commissions: If a Financial Planning client executes recommended securities transactions through associated persons of our Firm in their separate capacities as registered representatives of a broker dealer, these individuals will earn commissions which are separate and distinct from fees charged for advisory services. In some instances, depending on the size of the transaction, advisory fees will be discounted, at our discretion, for commissions earned. Commissions will not be credited towards future advisory fees.

Financial Planning Fee Offset: Capstone Advisory Group, LLC reserves the right, at our discretion, to reduce or waive the hourly fee and/or the minimum fixed fee if a financial planning client chooses to engage us for our services.

The client is billed in advance based on our total estimated Financial Planning fees or billed in arrears based on actual hours accrued.

CONSULTING SERVICES FEES

Capstone Advisory Group, LLC's Consulting Services fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Our Consulting Service fees may be calculated and charged on an hourly basis, ranging from \$100 to \$250 per hour. An estimate for the total hours is determined at the start of the advisory relationship.

GENERAL INFORMATION

Termination of the Advisory Relationship: Capstone or the client may terminate the Advisory Agreement within five (5) days of the date of acceptance with no penalty after the five (5) day period; either party may terminate this agreement for any reason upon receipt of thirty (30) days written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period. Depending upon the type of arrangement the client engaged in, there may be a modest termination fee by Capstone or a termination fee by the entity that managed or held the client's assets.

Capstone Advisory Fee Disclosure: Generally, Capstone advisory fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses. Broker-dealers generally will have nominal transaction or "ticket" charges applied to purchases and sales in advisory accounts.

Clients may incur certain charges imposed by custodians, brokers, third party investment managers, and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer, electronic fund fees, termination fee, account transfer fees, and possible other fees and taxes on brokerage accounts and securities transactions.

Mutual Fund Fees: All fees paid to Capstone Advisory Group, LLC for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds, variable annuities, and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial fee or upon liquidation a deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our Firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Wrap Fee Programs and Separately Managed Account Fees: Capstone does not sponsor wrap fee programs. Capstone may recommend unaffiliated third party investment advisors to manage client assets; these third party money managers may be sponsors of wrap fee program. In this instance, clients will be provided with the Wrap Fee Program Brochure of that money manager.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Brochure for additional information.

ERISA Accounts: Capstone Advisory Group, LLC is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our Firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees: We do not require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

Fee Payments: No payment for fees, securities, or any other item should be made payable to the individual adviser. Fee payments should be made payable only to Capstone Advisory Group, LLC. Payment for the purchase of securities should be made payable to the custodian for the account. The custodian for your account will never be Capstone, its employees, or Cambridge, the Firm's unaffiliated broker-dealer. Always be sure to list either your account number or Tax Identification Number (Social Security Number) on the face of your check

Item 6: Performance-Based Fees

Capstone Advisory Group, LLC does not charge performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7: Types of Clients

Capstone Advisory Group, LLC provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit-sharing plans (other than plan participants)
- Charitable and other non-profit organizations
- Corporations or other businesses not listed above
- Insurance companies

As previously disclosed in Item 5, our Firm has established certain initial minimum account requirements, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

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

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of equities, fixed income, and cash will change over time due to stock and market movements and, if not adjusted, will no longer be appropriate for the client's goals.

Mutual Fund and/or ETF Analysis. We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has

demonstrated an ability to successfully invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

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

Third-Party Money Manager Analysis. We examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest successfully over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks.

A risk of investing with a third-party manager who has been successful in the past is that the manager may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

The risks associated with utilizing TPMs include:

- Manager Risk
 - TPM fails to execute the stated investment strategy
- Business Risk
 - TPM has financial or regulatory problems
- The specific risks associated with the portfolios of the TPM's which is disclosed in the TPM's Form ADV Part 2.

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

INVESTMENT STRATEGIES

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases. We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- We believe the securities to be currently undervalued, and/or
- We want exposure to a particular asset class over time, regardless of the current projection for this class.

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

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

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

The two types of options are calls and puts:

- A call gives the buyer the right to buy an asset at a certain price within a specific period of time. We may buy a call if we have determined that the security will increase substantially in price before the option expires.
- A put gives the buyer the right to sell an asset at a certain price within a specific period of time. We may buy a put if we think it likely that the price of the stock will fall before the option expires.

We may use options to speculate on the possibility of a sharp price swing. We may also use options to "hedge" a purchase of the underlying security; in other words, we may use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We may use "covered calls," in which we sell an option on a security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

We may use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time, and other factors.

Risk of Loss. Securities investments are not guaranteed and you may lose money on your investments. We will work with you to help us understand your tolerance for risk.

Item 9: Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our Firm and our management personnel have no reportable disciplinary events to disclose.

Item 10: Other Financial Industry Activities and Affiliations

Clients should be aware that the receipt of additional compensation by Capstone Advisory Group, LLC and its management persons or employees creates a conflict of interest that may impair the objectivity of our Firm and these individuals when making advisory recommendations. Capstone Advisory Group, LLC endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser. The following represent our financial industry activities and affiliations.

Cambridge Investment Research, Inc.

The investment advisers are registered representatives of Cambridge Investment Research, Inc. ("Cambridge"), a registered broker-dealer, member of FINRA and SIPC. Greg Mortenson (Branch Manager and CCO) is also a registered principal for Cambridge. Clients are advised that they have total freedom to implement recommendations through any broker-dealer of their choosing. If clients choose to implement advice provided by the adviser in their capacity as a registered representative, Cambridge will provide the broker-dealer services. Commissions, mark ups and mark downs, "trail fees," may be earned by the adviser at Cambridge in addition to any fees paid for advisory services. Commissions may be higher or lower at Cambridge than at other broker-dealers.

Cambridge may also be used to execute mutual fund transactions. As registered representatives, the Firm may receive 12(b)-1 fees from certain mutual funds. This may result in additional compensation for Capstone and its advisers. These fees are outlined in the fund companies' prospectus. These fees come from the fund assets, therefore, indirectly from client assets. Since certain funds may have no fees or lower fees, there may be a potential conflict of interest when representing certain funds.

Greg Mortenson (Branch Manager) and other qualified registered representatives of Cambridge may participate in the Equity Participation Program ("EPP") to participate in possible growth and the increased value of Cambridge over the long term. At its discretion each year, Cambridge expects to issue a grant of EPP units without charge to the Business Branch Manager of each qualifying Branch. Upon direction from the Branch Manager, Cambridge will potentially issue a grant to some qualifying Reps within the Branch. To qualify for the EPP, the Branch's production must exceed the gross dealer concessions ("GDC") threshold established by Cambridge's Board of Directors ("Board"). The Board may set a new, different GDC threshold in any year that it grants EPP units.

Other potential conflicts of interest by advisers may arise when having clients purchase securities, and/or insurance related products through Cambridge. As a registered representative of Cambridge, the higher their production, the greater potential for obtaining a higher pay-out on commissions earned. Further, registered representatives are restricted to only offering those products and services that Cambridge and their affiliates have reviewed and approved, and are required to use the services of Cambridge when acting in this capacity.

Genworth Financial

Capstone Advisory Group, LLC solicits the services of Genworth Financial to manage client accounts. In such circumstances, Capstone Advisory Group, LLC receives solicitor fees from the third party money manager. Capstone Advisory Group, LLC acts as the liaison between the client and the third party money manager in return for an ongoing portion of the advisory fees charged by the third party money manager. Capstone Advisory Group, LLC is responsible for:

- helping the client complete the necessary paperwork of the Genworth Financial;
- providing ongoing services to the client;
- updating the Genworth Financial with any changes in client status which is provide to Capstone Advisory Group, LLC by the client;
- reviewing the quarterly statements provided by Genworth Financial; and
- delivering the Form ADV Part 2, Privacy Notice and Solicitors Disclosure Statement of the Genworth Financial to the client.

These practices represent conflicts of interest because Capstone Advisory Group, LLC is paid a Solicitor Fee for recommending Genworth Financial. This conflict is mitigated by disclosures, procedures, and the firm's Fiduciary obligation have a fiduciary responsibility to act in the best interest of his clients. Clients are not required to accept any recommendation of third party money managers given by Capstone Advisory Group, LLC and have the option to receive investment advice through other money managers of their choosing.

Crystal Capital Fund, Series, LLC and Crystal Capital Strategies Fund, LLC

From time to time, Capstone Advisory Group, LLC may also utilize the services Crystal Capital Fund, Series, LLC and Crystal Capital Strategies Fund, LLC. Crystal Capital Fund, Series, LLC and Crystal Capital Strategies Fund, LLC will maintain the models or investment strategies agreed upon between Crystal Capital Fund, Series, LLC and Crystal Capital Strategies Fund, LLC and Capstone Advisory Group, LLC. Crystal Capital Fund, Series, LLC and Crystal Capital Strategies Fund, LLC will execute all trades on behalf of Capital Advisory Group, LLC in client accounts. Capstone Advisory Group, LLC will be responsible for the overall direct relationship with the client. Capstone Advisory Group, LLC retains the authority to terminate the relationship with Crystal Capital Fund, Series, LLC and Crystal Capital Strategies Fund, LLC.

This practice represents a conflict of interest as Capstone Advisory Group, LLC may select sub-advisors who charge a higher fee for their services than other sub-advisors. This conflict is mitigated by disclosures, procedures, and the firm's Fiduciary obligation to place the best interest of the client first and will adhere to their code of ethics.

BTS Asset Management, Inc.

Clients pay BTS an annual management fee that is detailed in the agreement signed between the client and BTS.

Under certain circumstances, BTS may agree to charge Clients of certain sales representatives and/or broker/dealers less than its customary rate because of the volume of business referred to, or promised to be referred to BTS by such sales representatives or broker/dealers. Fees charged to pension plans, retirement plans, and institutional Clients may be negotiable. BTS reserves the right to negotiate fees where there are multiple accounts for one person or within the same household which may, when consolidated, amount to over a breakpoint. Fees may vary depending on the Client's financial representative. As a concession to their Clients, some third-party solicitors offer BTS's advisory services for a reduced representative fee. In addition, BTS may have agreements with certain broker/dealers or registered investment advisors to manage Client accounts through the broker/dealers' or registered investment advisors' custodian at a reduced advisory fee. In addition, generally the BTS advisory fee portion of the total combined fee (which consists of a representative's commission plus the BTS advisory fee) that is charged to the Client for BTS Portfolios is the same whether the Client comes to BTS directly or is handled through a sales representative. Nevertheless, the adviser fees charged by BTS may be higher than that normally charged in the industry and it is possible that the same, similar or significantly more extensive services may be available from other advisors at lower rates. Clients may purchase Funds directly without using BTS's Portfolios.

Client accounts are billed quarterly. The initial fee for the first calendar quarter is based on the total principal amount initially invested. Accounts established in the middle of a quarter are prorated for the remainder of the calendar quarter. The fee for subsequent quarters is based on the market value of Client's account(s) determined based on fund values obtained approximately during the last week of the calendar quarter, for the upcoming quarter. The fee for additional amounts invested is prorated for the remaining portion of the calendar quarter of deposit. Fees are payable (a) for the first quarter upon execution of the management agreement, (b) for additional amounts when deposited, and (c) by each calendar quarter. The quarterly fee will be calculated by BTS and deducted according to the calculation by the custodian from Client's cash or money market fund, or an alternative fund that is associated with this Agreement. If the Client converts to a portfolio that has a different fee schedule during the calendar quarter, then the balance of the management fee not yet earned by BTS is used towards the management fee for the remainder of the calendar quarter. The unearned management fee of a converting account is prorated. A management fee for the remainder of the calendar quarter, minus the unearned management fee, is due upon conversion. If a conversion to a portfolio with a lower fee schedule results in an overpayment, then BTS issues a refund to the Client.

Rochdale Investment Management (“Rochdale”)

Rochdale provides portfolios with multiple asset classes (e.g. stocks, bonds, cash, options and futures) and portfolios for which the asset allocation decision has been made by the Client and/or Client-directed outside consultant (e.g. equity accounts, fixed income accounts, options accounts or futures accounts). The Client’s fee for these services are detailed in the agreement between the client and Rochdale.

The fees are negotiable. Fees are assessed quarterly in advance based on the amount of the assets managed as of the end of the previous quarter. All management fees are withdrawn from the Client’s account unless otherwise noted. Rochdale will receive written authorization from the Client to deduct advisory fees from their account held by a qualified custodian. Rochdale will pay Capstone their share of the fees. Capstone does not have access to deduct Client fees. Clients may terminate their account within five business days of signing the investment advisory agreement with no obligation. For terminations after the initial five business days, the Client will be entitled to a pro-rata refund for the days service was not provided in the final quarter. Rochdale will pay Capstone their portion of the final fee.

Stonebridge Capital Advisors, LLC (“Stonebridge”)

Capstone has entered into a Solicitor Agreement with Stonebridge Capital Advisors, LLC (“Stonebridge”). Stonebridge is a Registered Investment Advisors registered with the Securities and Exchange Commission that provides investment portfolio advice and supervisory services.

The fee will be disclosed to the Client in the agreement between the Client and the TPM and are negotiable. The Clients fee for these services will be based on a percentage of assets under management that is detailed in the agreement signed between the client and Stonebridge.

The fees are negotiable. Fees are assessed quarterly in advance. All management fees are withdrawn from the Client’s account unless otherwise noted and agreed upon between Stonebridge and the Client. Stonebridge will receive written authorization from the Client to deduct advisory fees from their account held by a qualified custodian. Stonebridge will pay Capstone their share of the fees. Capstone does not have access to deduct Client fees. Clients may terminate their account within five (5) business days of signing the investment advisory agreement without penalty or obligation. For terminations after the initial five (5) business days, Stonebridge will refund the Client based on the days remaining in the billing period after a termination notice is received.

Various Insurance Agencies

All of our advisers are insurance agents/and or brokers for various independent insurance companies. Therefore, these advisers may be able to affect the purchase of insurance products to implement recommendations for clients. They may sell insurance products, including but not limited to, life, disability income and long term care products, and may receive additional compensation on the sale of such products.

We take the following steps to address conflicts:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our Firm and our employees to earn compensation from advisory clients in addition to our Firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our Firm's management conducts regular reviews of sample client accounts to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our Firm;
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

Recommendations or Selection of Other Investment Advisors

Capstone Advisory Group, LLC solicits the services of Third Party Money Managers ("TPM") to manage client accounts. In such circumstances, Capstone Advisory Group, LLC receives solicitor fees from the TPM. Capstone Advisory Group, LLC acts as the liaison between the client and the TPM in return for an ongoing portion of the advisory fees charged by the TPM. Capstone Advisory Group, LLC is responsible for:

- helping the client complete the necessary paperwork of the TPM;
- providing ongoing services to the client;
- updating the TPM with any changes in client status which is provided to Leverage Planners by the client;
- reviewing the quarterly statements provided by the TPM; and
- delivering the Form ADV Part 2, Privacy Notice and Solicitors Disclosure Statement of the TPM to the client.

Clients placed with TPMs will be billed in accordance with the TPM's Fee Schedule which will be disclosed to the client prior to signing an agreement. **When referring clients to a third party money manager, the client's best interest will be the main determining factor of Capstone Advisory Group, LLC.**

These practices represent conflicts of interest because Capstone Advisory Group, LLC is paid a Solicitor Fee for recommending the TPM and may choose to recommend a particular TPM based on the fee Capstone Advisory Group, LLC is to receive. This conflict is mitigated by disclosures, procedures, and the firm's Fiduciary obligation to act in the best interest of the clients. Clients are not required to accept any recommendation of TPMs given by

Capstone Advisory Group, LLC and have the option to received investment advice through other money managers of their choosing.

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

Our Firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal and state securities laws.

Capstone Advisory Group, LLC and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the Firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Capstone Advisory Group, LLC's Code of Ethics further includes the Firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our Firm and/or individuals associated with our Firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our Firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts. Please obtain a copy of our Code of Ethics which outlines in more detail the black-out periods and time constraints.

Capstone's Code of Ethics address provisions relating to the confidentiality of client information. Confidential information generally means all information not publicly available (through the media or public records). Capstone's policy prohibits individuals associated with the Firm from disclosing, directly or indirectly, any confidential information to anyone other than Capstone personnel and authorized professional advisers, broker-dealers, attorneys, or accountants, who need such information in order to provide their services on behalf of the client.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to gmortenson@capstoneadvgroup.com, or by calling us at 952-562-2444.

Item 12: Brokerage Practices

Capstone Advisory Group, LLC does have certain product providers where the Firm may receive soft-dollar or soft dollar benefits. Associated persons of Capstone may from time to time attend conferences put on by various vendors and/or wholesalers. These conferences are generally provided to associated persons at no cost to the Firm. The Firm does periodically review their soft dollar arrangements and monitors the Firm's policy.

Cambridge, the Firm's broker-dealer affiliate, provides us with back-office operations technology, and other administrative support. They also provide software and other technology that provide access to client account data, facilitate trade execution; provide research, pricing information and other market data; and facilitate payment of adviser's fees from its clients' accounts, including accounts not held through Cambridge.

Capstone does not create an incentive to select, recommend, or direct client transactions to a particular entity in return for soft dollar benefits. These products and services provide a lawful and appropriate assistance to the Firm in the performance of its investment decision making responsibilities.

In circumstances where a Client directs Capstone to use a certain broker-dealer, Capstone still has a fiduciary duty to its Clients. The following may apply with Directed Brokerage: Capstone's inability to negotiate commissions, to obtain volume discounts, there may be a disparity in commission charges among Clients and conflicts of interest arising from brokerage firm referrals.

Capstone is authorized in its discretion to aggregate purchases and sales and other transactions made for the account with purchases and sales and transactions in the same securities for other clients of Capstone. All clients participating in the aggregated order shall receive an average share price with all other transaction costs shared on a pro-rated basis.

Item 13: Review of Accounts

INVESTMENT SUPERVISORY SERVICES ("ISS")

INDIVIDUAL PORTFOLIO MANAGEMENT

REVIEWS: While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by: Gregory Mortenson, Chief Compliance Officer.

REPORTS: In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we review periodic statements provided by various

custodians as they are received. Reports are available to clients at any time online using the Albridge reporting systems.

PENSION CONSULTING SERVICES

REVIEWS: Capstone Advisory Group, LLC will review the client's Investment Policy Statement (IPS) whenever the client advises us of a change in circumstances regarding the needs of the plan. Capstone Advisory Group, LLC will also review the investment options of the plan according to the agreed upon time intervals established in the IPS. Such reviews will generally occur quarterly.

These accounts are reviewed by: Gregory Mortenson, Chief Compliance Officer.

REPORTS: Capstone Advisory Group, LLC will provide reports to Pension Consulting Services clients based on the terms set forth in the client's Investment Policy Statement (IPS).

SELECTION and MONITORING of THIRD-PARTY MONEY MANAGERS

REVIEWS: These client accounts should refer to the independent registered investment adviser's firm brochure (or other disclosure document used in lieu of the brochure) for information regarding the nature and frequency of reviews provided by that independent registered investment adviser.

Capstone Advisory Group, LLC will review of these managers' statements on a quarterly basis. We will monitor managers to ensure their performance and investment style remains consistent with their investment goals and objectives.

These accounts are reviewed by: Gregory Mortenson, Chief Compliance Officer.

REPORTS: These clients should refer to the independent registered investment adviser's firm brochure (or other disclosure document used in lieu of the brochure) for information regarding the nature and frequency of reports provided by that independent registered investment adviser. Generally, the independent advisers provide portfolio and performance reports directly to each client on a quarterly basis. The exact content and format of these reports will vary but should include a summary of the portfolio holdings, the allocation of assets into various classes or sub classes, and performance data comparing the results of the portfolio in comparison to various market indexes.

Capstone Advisory Group, LLC does not typically, but may provide reports in addition to those provided by the independent registered investment adviser selected to manage the client's assets.

FINANCIAL PLANNING SERVICES

REVIEWS: While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise agreed. If agreed, client financial plan accounts are reviewed on a regular and continuous basis depending on the size, complexity, and individual circumstances of the client during the initial retainer period (if any). Subsequent to the initial retainer period, financial plans are reviewed at least annually.

Financial plans are reviewed by: Gregory Mortenson, Chief Compliance Officer.

REPORTS: Financial Planning clients may receive a completed financial plan. Additional reports will not typically be provided unless otherwise agreed.

CONSULTING SERVICES

REVIEWS: While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Consulting Services clients unless otherwise contracted for. Such reviews will be conducted by the client's account representative.

REPORTS: Consulting services clients will not typically receive reports due to the nature of the service.

Item 14: Client Referrals and Other Compensation

It is Capstone Advisory Group, LLC's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our Firm.

It is Capstone Advisory Group, LLC's policy not to allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Item 15: Custody

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our Firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Since the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe there is an error in the fee calculation or in their statement.

Our Firm does not have actual or constructive custody of client assets.

Item 16: Investment Discretion

Our Firm offers both discretionary and non-discretionary asset management to all clients. For discretionary accounts, we accept authority to manage securities accounts on behalf of clients. Capstone Advisory Group, LLC has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. The client will authorize Capstone Advisory Group, LLC discretionary authority to execute selected investment program transactions as stated within the Investment Advisory

Agreement. For accounts where client does not authorize discretion, we will consult with the client prior to each trade.

The client approves the custodian to be used and the commission rates paid to the custodian. Capstone Advisory Group, LLC does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Item 17: Voting Client Securities

As a matter of Firm policy, we do not vote proxies on behalf of advisory clients. Therefore, although our Firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We may provide clients with consulting assistance regarding proxy issues if they contact us with questions, but the client always retains the proxy voting responsibility.

Item 18: Financial Information

The Firm does not custody client funds or securities, and under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory Firm we are subject to rules that may require the Firm to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. Capstone Advisory Group, LLC has no additional financial circumstances to report.

Capstone Advisory Group, LLC has not been the subject of a bankruptcy petition at any time during the past ten years.