

Form ADV Part 2A Disclosure Brochure

Item 1 – Cover Page



Capitol
PRIVATE WEALTH GROUP

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Date of Brochure: February 13, 2019

This brochure provides information about the qualifications and investment advisory business practices of Capitol Private Wealth Group LLC. If you have any questions about the contents of this brochure, please contact us at (703) 226-0008 or by email at: RIA@capitolpwg.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. Additional information about Capitol Private Wealth Group LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Capitol Private Wealth Group LLC's CRD number is: 283257. Registration does not imply a certain level of skill or training.

Item 2 - Material Changes

Material Changes since the Last Update

This section will contain a summary of material changes to the information in this firm brochure since the amendment filed on March 30, 2018.

There have been no material changes.

Item 3 - Table of Contents

Item 1 – Cover Page.....	1
Item 2 - Material Changes	2
Item 3 - Table of Contents	3
Item 4 - Advisory Business.....	4
Item 5 - Fees and Compensation.....	5
Item 6 - Performance-Based Fees	7
Item 7 - Types of Clients	7
Item 8 - Methods of Analysis, Investment Strategies, & Risk of Loss	8
Item 9 - Disciplinary Information	12
Item 10 - Other Financial Industry Activities and Affiliations	13
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	14
Item 12 - Brokerage Practices.....	15
Item 13 - Review of Accounts	17
Item 14 - Client Referrals	18
Item 15 - Custody	19
Item 16 - Investment Discretion	19
Item 17 - Voting Client Securities (Proxy Voting).....	20
Item 18 - Financial Information.....	20
CUSTOMER PRIVACY POLICY NOTICE	21

Item 4 - Advisory Business

Firm Description

Capitol Private Wealth Group LLC (hereinafter “Capitol PWG”) is an investment advisor registered with Securities and Exchange Commission (“SEC”) and is a limited liability company formed under the laws of the Commonwealth of Virginia.

- The firm has been registered since January 2016.
- Giancarlo Dalimonte is the Owner and an Officer
- Bobby Glass is the Chief Compliance Officer

Types of Agreements

Capitol PWG provides two services through its Investment Advisors under the following agreement names:

- Portfolio Management Services
- Financial Planning Services

Portfolio Management Services – Capitol PWG’s Portfolio Management Services Contract is for clients needing a personalized approach to implementing an individually customized strategy designed to meet their investment goals and objectives through portfolio monitoring and quarterly reporting. The Investment Advisor develops and recommends an unique strategy based on their knowledge, experience, and understanding of the client’s needs. This individualized approach allows the Investment Advisor and client to work together to achieve the client’s investment goals. Additionally, the client is provided regular planning meetings, telephone consultations, and email communications. Capitol PWG extends maximum latitude to Investment Advisor and client, within this individualized approach as to the method in which the account will be managed. Prior to rendering service, Investment Advisor reviews a Client’s current investment portfolio, obtains necessary information regarding the Client’s current and expected financial situation and makes recommendations to Clients regarding their portfolios. Additionally, the Investment Advisor will access the Client’s financial situation, including investment history, goals, and objectives, and special interests or concerns.

Financial Planning Services - Capitol PWG’s Financial Planning Services Contract is offered to discuss, design, and review specific financial planning issues within a stated time period. This service is focused on advice and consultation in one or more stated areas of concern, such as estate planning, retirement planning, college planning, tax planning, budgeting, cash flow analysis and debt management, and financial coaching. The Investment Advisor may also provide specific consultation regarding investments and financial concerns.

An Investment Advisor may present the tax aspects of certain investments or strategies in general terms. Within this context, the Investment Advisor does not provide specific tax advice and recommends that all tax questions or strategies should be discussed with the Client’s tax professional.

Financial planning services do not involve the active management of client accounts.

Termination of Agreements

Any Capitol PWG Agreements may be terminated at the client's discretion at any time by giving written notice. Any Capitol PWG agreement may be terminated with no fee or penalty within the first 5 days after entering into the agreement. The Portfolio Management Agreement may be terminated by the client or the Investment Adviser by providing written notice to the other party. Fees will be billed in arrears for the portion of the calendar month completed as of the date of termination. The average of the daily balance in the client's account throughout the billing period is used as the basis for the final fee computation. Capitol PWG reserves the right to stop work on any account that is more than 90 days overdue. In addition, Capitol PWG reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in Capitol PWG's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 60 days.

Client Assets Managed by Capital Private Wealth Group, LLC

The amount of client assets managed by Capitol PWG total \$144,478,603 as of December 31, 2018. \$144,478,603 is managed on a discretionary basis and \$0 is managed on a non-discretionary basis.

Item 5 - Fees and Compensation

In addition to the information provided in *Item 4 - Advisory Business*, this section provides details regarding Capitol PWG's services along with descriptions of each service's fees and compensation arrangements.

A. Fee Schedule

Portfolio Management Fees

Most clients use our Portfolio Management Services which can best be defined as giving continuous investment advice to a client and making investments for the client based on the individual needs of the client. Through this service, we offer a highly customized and individualized investment program for each client. A specific investment strategy is crafted to focus on the client's goals and objectives.

We provide our Portfolio Management Service through accounts maintained at a qualified custodian recommended by Capitol PWG (please refer to *Item 15 - Custody* for more information.)

Annual Fees for Assets Under Management

\$0 - \$500,000	1.50%
\$500,001 - \$1,000,000	1.25%

\$1,000,001 - \$2,000,000	1.00%
\$2,000,001 - \$5,000,000	0.75%
\$5,000,001 - \$10,000,000	0.50%
\$10,000,001 - \$50,000,000	0.25%
\$50,000,001+	0.15%

Capitol PWG uses an average of the daily balance in the client's account throughout the billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based.

Capitol PWG will charge a \$60 flat fee for every outside account per year. Client will pay the fees via the account annually.

These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract.

Financial Planning Fees

Fixed Fees - The fixed fee for creating client financial plans is a maximum of \$10,000.

Hourly Fees - The hourly fee is a maximum of \$350 per hour, with a minimum two-hour charge.

Because financial planning can range in complexity, we do not have a fee schedule for financial planning services, although the contract is limited to a specific time period. During your initial or subsequent meetings with your Advisor, you will discuss an appropriate fee for the services provided to you. The fee is used to discuss, design, and construct an Investment Policy Statement outlining the goals and objectives, the time horizons and risk tolerances for the Client engagement. Some of the factors used to determine the appropriate fee are the time needed to create a customized plan as well as the complexity of the plan. Your Advisor will charge you either a flat fee or an hourly fee for financial planning work done on your behalf. Capitol PWG has a stated firm maximum financial planning fee of \$10,000. These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract.

B. Payment of Fees

Payment of Portfolio Management Fees

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a monthly basis. Fees are paid in arrears.

Capitol PWG will charge a \$60 flat fee for every outside account per year. Client will pay the fees via the account annually. Fees are paid in arrears.

Payment of Financial Planning Fees

Financial planning fees are paid via check or can be withdrawn directly from the client's Schwab accounts, with client's written authorization. Fixed and Hourly financial planning fees are paid in advance, but never more than six months in advance, with the remainder due upon presentation of the plan.

C. Client Responsibility For Third Party Fees

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by Capitol PWG. Please see Item 12 of this brochure regarding broker-dealer/custodian.

D. Prepayment of Fees

Capitol PWG collects certain fees in advance and certain fees in arrears, as indicated above. Refunds for fees paid in advance will be returned to the client via check, or return deposit back into the client's account.

Fixed fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination.

For hourly fees that are collected in advance, the fee refunded will be the balance of the fees collected in advance minus the hourly rate times the number of hours of work that has been completed up to and including the day of termination.

E. Outside Compensation For the Sale of Securities to Clients

Neither Capitol PWG nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Item 6 - Performance-Based Fees

Capitol PWG does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7 - Types of Clients

Capitol PWG generally provides advisory services to the following types of clients:

- Individuals
- High-Net-Worth Individuals

There is no account minimum for Capitol PWG's Portfolio Management Services.

There is no fee minimum for Capitol PWG's fixed Financial Planning Services, however, there is a minimum hourly Financial Planning Services of two hours (\$350/hour).

The fees are subject to negotiation.

Item 8 - Methods of Analysis, Investment Strategies, & Risk of Loss

A. Methods of Analysis and Investment Strategies

Methods of Analysis

Capitol PWG's methods of analysis include Charting analysis, Cyclical analysis, Fundamental analysis, Modern portfolio theory, Quantitative analysis or Technical analysis.

Charting analysis involves the use of patterns in performance charts. Capitol PWG uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

Cyclical analysis involves the analysis of business cycles to find favorable conditions for buying and/or selling a security.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Modern portfolio theory is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

Quantitative analysis deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

Technical analysis involves the analysis of past market data; primarily price and volume.

Investment Strategies

Capitol PWG uses long term trading, short term trading, short sales, margin transactions or options trading (including covered options, uncovered options, or spreading strategies).

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved

Methods of Analysis

Charting analysis strategy involves using and comparing various charts to predict long and short term performance or market trends. The risk involved in using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Modern portfolio theory assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

Quantitative analysis investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

Investment Strategies

Capitol PWG's use of short sales, margin transactions or options trading generally holds greater risk, and clients should be aware that there is a material risk of loss using any of those strategies.

Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Margin transactions use leverage that is borrowed from a brokerage firm as collateral. When losses occur, the value of the margin account may fall below the brokerage firm's threshold thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets on a shorter time frame than desired.

Options transactions involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value, as well as the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

Short sales entail the possibility of infinite loss. An increase in the applicable securities' prices will result in a loss and, over time, the market has historically trended upward.

Short term trading risks include liquidity, economic stability, and inflation, in addition to the long term trading risks listed above. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized

Capitol PWG's use of short sales, margin transactions or options trading generally holds greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

Mutual Funds: Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.

Equity investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

Fixed income investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting

(extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

Exchange Traded Funds (ETFs): An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

Real estate funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

Annuities are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

Private placements carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

Venture capital funds invest in start-up companies at an early stage of development in the interest of generating a return through an eventual realization event; the risk is high as a result of the uncertainty involved at that stage of development.

Commodities are tangible assets used to manufacture and produce goods or services. Commodity prices are affected by different risk factors, such as disease, storage capacity, supply, demand, delivery constraints and weather.

Because of those risk factors, even a well-diversified investment in commodities can be uncertain.

Options are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an

offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

Non-U.S. securities present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

Structured Products: Structured products are designed to facilitate highly customized risk-return objectives. While structured products come in many different forms, they typically consist of a debt security that is structured to make interest and principal payments based upon various assets, rates or formulas. Many structured products include an embedded derivative component. Structured products may be structured in the form of a security, in which case these products may receive benefits provided under federal securities law, or they may be cast as derivatives, in which case they are offered in the over-the-counter market and are subject to no regulation.

Investing in structured products includes significant risks, including valuation, lack of liquidity, price, credit and market risks. The relative lack of liquidity due to the highly customized nature of the investment. Moreover, the full extent of returns from the complex performance features is often not realized until maturity. As such, structured products tend to be more of a buy-and-hold investment decision rather than a means of getting in and out of a position with speed and efficiency.

Another risk with structured products is the credit quality of the issuer. Although the cash flows are derived from other sources, the products themselves are legally considered to be the issuing financial institution's liabilities. The vast majority of structured products are from high-investment-grade issuers only. Also, there is a lack of pricing transparency. There is no uniform standard for pricing, making it harder to compare the net-of-pricing attractiveness of alternative structured product offerings than it is, for instance, to compare the net expense ratios of different mutual funds or commissions among broker-dealers.

Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9 - Disciplinary Information

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10 - Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Shawn Hadian is a Registered Representative affiliated with the broker dealer, Purshe Kaplan Sterling Investments (CRD# 35747 / SEC# 8-46844), member of FINRA/SIPC.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither Capitol PWG nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Although Capitol PWG does not provide any other services and is not involved in any other business activities, it does have Investment Advisors that are engaged in other activities, such as licensed insurance agents, licensed Registered Representatives, and other non-investment related businesses. From time to time, Investment Advisors will offer clients advice or products from these activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered Investment Advisor. Capitol PWG always act in the best interests of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to purchase such services or products through any representative of Capitol PWG in such individual's outside capacities.

D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

Capitol PWG does not utilize nor select third-party investment advisers. All assets are managed by Capitol PWG management.

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

A. Code of Ethics

Capitol PWG has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Capitol PWG's Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

Capitol PWG does not recommend that clients buy or sell any security in which a related person to Capitol PWG or Capitol PWG has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of Capitol PWG may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of Capitol PWG to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. Capitol PWG will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of Capitol PWG may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of Capitol PWG to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, Capitol PWG will never engage in trading that operates to the client's disadvantage if representatives of Capitol PWG buy or sell securities at or around the same time as clients.

Item 12 - Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

Custodians/broker-dealers will be recommended based on Capitol PWG's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and Capitol PWG may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in Capitol PWG's research efforts. Capitol PWG will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian. Capitol PWG recommends Schwab Institutional, a division of Charles Schwab & Co., Inc.

1. Research and Other Soft-Dollar Benefits

While Capitol PWG has no formal soft dollars program in which soft dollars are used to pay for third party services, Capitol PWG may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). Capitol PWG may enter into soft dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and Capitol PWG does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. Capitol PWG benefits by not having to produce or pay for the research, products or services, and Capitol PWG will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that Capitol PWG's acceptance of soft dollar benefits may result in higher commissions charged to the client. Charles Schwab & Co., Inc. Advisor Services provides Capitol PWG with access to Charles Schwab & Co., Inc. Advisor Services' institutional trading and custody services, which are typically not available to Charles Schwab & Co., Inc. Advisor Services retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Charles Schwab & Co., Inc. Advisor Services. Charles Schwab & Co., Inc. Advisor Services includes brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For Capitol PWG client accounts maintained in its custody, Charles Schwab & Co., Inc. Advisor Services generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Charles Schwab & Co., Inc. Advisor Services or that settle into Charles Schwab & Co., Inc. Advisor Services accounts. Charles Schwab & Co., Inc. Advisor Services also makes available to Capitol PWG other products and services that benefit Capitol PWG but may not benefit its clients' accounts. These benefits may include national, regional or Capitol PWG specific educational events organized and/or sponsored by Charles Schwab & Co., Inc. Advisor Services. Other potential benefits may include occasional business entertainment of personnel of Capitol PWG by Charles Schwab & Co., Inc. Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments,

and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist Capitol PWG in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable), provide research, pricing information and other market data, facilitate payment of Capitol PWG's fees from its clients' accounts (if applicable), and assist with back office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of Capitol PWG's accounts. Charles Schwab & Co., Inc. Advisor Services also makes available to Capitol PWG other services intended to help Capitol PWG manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, and human capital consultants, insurance and marketing. In addition, Charles Schwab & Co., Inc. Advisor Services may make available, arrange and/or pay vendors for these types of services rendered to Capitol PWG by independent third parties. Charles Schwab & Co., Inc. Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Capitol PWG. Capitol PWG is independently owned and operated and not affiliated with Charles Schwab & Co., Inc. Advisor Services.

2. Brokerage for Client Referrals

Capitol PWG receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

Capitol PWG will recommend that clients use a specific broker-dealer to execute transactions. There is no conflict of interest, as the broker-dealer is not an affiliate or related person of Capitol PWG. Capitol PWG may permit clients to direct it to execute transactions through a specified broker-dealer. If a client directs brokerage, then the client will be required to acknowledge in writing that the client's direction with respect to the use of brokers supersedes any authority granted to Capitol PWG to select brokers; this direction may result in higher commissions, which may result in a disparity between free and directed accounts; the client may be unable to participate in block trades (unless Capitol PWG is able to engage in "step outs"); and trades for the client and other directed accounts may be executed after trades for free accounts, which may result in less favorable prices, particularly for illiquid securities or during volatile market conditions. Not all investment advisers allow their clients to direct brokerage.

B. Aggregating (Block) Trading for Multiple Client Accounts

If Capitol PWG buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, Capitol PWG would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. Capitol PWG would determine the appropriate number of shares and select the

appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any).

Additionally, if Capitol PWG does not aggregate securities in a single transaction for multiple clients when buying or selling the same securities on behalf of more than one client, then Capitol PWG may be unable to achieve most favorable execution of client transactions, which could cost clients money in trade execution.

Item 13 - Review of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

All client accounts for Capitol PWG's advisory services provided on an ongoing basis are reviewed at least quarterly by Bobby L Glass, CCO, with regard to clients' respective investment policies and risk tolerance levels. All accounts at Capitol PWG are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Bobby L Glass, CCO. There is only one level of review for financial planning, and that is the total review conducted to create the financial plan.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

With respect to financial plans, Capitol PWG's services will generally conclude upon delivery of the financial plan.

C. Content and Frequency of Regular Reports Provided to Clients

Each client of Capitol PWG's advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian. Capitol PWG will also provide at least quarterly a separate written statement to the client, which will include the formula used to calculate the fee, the time period covered by the fee, and the amount of assets under management on which the fee was based.

Each financial planning client will receive the financial plan upon completion.

Item 14 - Client Referrals

Charles Schwab & Co., Inc. (Schwab)

Our firm receives economic benefit from Schwab in the form of the support products and services made available to our firm and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit our firm, and the related conflicts of interest are described above (*see Item 12 – Brokerage Practices*). The availability of Schwab's products and services is not based on our firm giving particular investment advice, such as buying particular securities for our clients.

Product Sponsor Funded Events

Various product wholesalers provide financial assistance to allow us to sponsor client educational seminars, or attend such seminars hosted by the product sponsor. This money is not directly tied to our use of their products, nor it is contingent upon any future business to be directed to their products, nonetheless it creates a conflict of interest that may incentivize us to utilize their products. Our firm will adhere to our fiduciary duty to act in our client's best interest when selecting what products to use in client accounts

Referral Fees

Our firm pays referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940 OR relevant state statutes and rules. Such referral fee represents a share of our investment advisory fee charged to our clients. This arrangement will not result in higher costs to the referred client. In this regard, our firm maintains Solicitors Agreements in compliance with Rule 206 (4)-3 of the Investment Advisers Act of 1940 OR relevant state statutes and rules and applicable state and federal laws. All clients referred by Solicitors to our firm will be given full written disclosure describing the terms and fee arrangements between our firm and Solicitor(s). In cases where state law requires licensure of solicitors, our firm ensures that no solicitation fees are paid unless the solicitor is registered as an investment adviser representative of our firm. If our firm is paying solicitation fees to another registered investment adviser, the licensure of individuals is the other firm's responsibility.

Item 15 - Custody

When advisory fees are deducted directly from client accounts at client's custodian, Capitol PWG will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy. Clients will also receive statements from Capitol PWG and are urged to compare the account statements they received from custodian with those they received from Capitol PWG.

On February 21, 2017, the SEC issued a no-action letter ("Letter") with respect to Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act of 1940 ("Advisers Act"). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of instruction ("SLOA") is deemed to have custody. As such, our firm has adopted the following safeguards in conjunction with our custodian:

- The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
- The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client's qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
- The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Item 16 - Investment Discretion

Capitol PWG provides discretionary investment advisory services to clients. The Investment Advisory Contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, Capitol PWG generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share.

Clients with discretionary accounts will execute a limited power of attorney to evidence discretionary authority. Clients may, but typically do not, impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

Capitol PWG will also have discretionary authority to determine the broker or dealer to be used for a purchase or sale of securities for a client's account.

Item 17 - Voting Client Securities (Proxy Voting)

Capitol PWG will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 18 - Financial Information

A. Balance Sheet

This item is not applicable to this brochure. Capitol PWG does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, Capitol PWG is not required to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither Capitol PWG nor its management has any financial condition that is likely to reasonably impair Capitol PWG's ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

Capitol PWG has not been the subject of a bankruptcy petition at any time.

CUSTOMER PRIVACY POLICY NOTICE

In November of 1999, Congress enacted the Gramm-Leach-Bliley Act (GLBA). The GLBA requires certain financial institutions, such as investment advisor firms, to protect the privacy of customer information. In situations where a financial institution does disclose customer information to nonaffiliated third parties, other than permitted or required by law, customers must be given the opportunity to opt out or prevent such disclosure. Capitol PWG does not share or disclose customer information to nonaffiliated third parties except as permitted or required by law.

Commitment to Your Private Information. Capitol PWG is committed to safeguarding the confidential information of its clients. Capitol PWG holds all personal information provided by clients in the strictest confidence and it is the objective of the firm to protect the privacy of all clients. Except as permitted or required by law, the firm does not share confidential information about clients with nonaffiliated parties. If there were to be a change in this policy, the firm will provide clients with written notice and clients will be provided an opportunity to direct Capitol PWG as to whether such disclosure is permissible.

Why We Collect and How We Use Information. To conduct regular business, Capitol PWG may collect personal information from sources such as:

- Information reported by the client on applications or other forms the client provides to the firm
- Information about the client's transactions implemented by the firm or others
- Information developed as part of financial plans, analyses or investment advisory services

To administer, manage, service, and provide related services for client accounts, it is necessary for Capitol PWG to provide access to customer information within the firm and to nonaffiliated companies, with whom the firm has entered agreements. To provide the utmost service, the firm may disclose the information below regarding customers and former customers, as necessary, to companies to perform certain services on the firm's behalf.

- Information Capitol PWG receives from the client on applications (name, social security number, address, assets, etc.)
- Information about the client's transactions with the firm or others (account information, payment history, parties to transactions, etc.)
- Information concerning investment advisory account transactions
- Information about a client's financial products and services transaction with Capitol PWG

Sharing Information with Other Companies Permitted Under Law. Since Capitol PWG shares nonpublic information solely to service client accounts, the firm does not disclose any nonpublic personal information about the firm's customers or former customers to anyone, except as permitted by law. However, the firm may also provide customer information outside of the firm as required by law, such as to government entities, consumer reporting agencies or other third parties in response to subpoenas. In the event that the firm has a change to its customer privacy policy that would allow it to disclose non-public information not covered under applicable law, the firm will allow its clients the opportunity to opt out of such disclosure.

Former Customers. Even if we cease to provide you with financial products or services, our Privacy Policy will continue to apply to you and we will continue to treat your nonpublic information with strict confidentiality.

Any Questions. Capitol PWG's Chief Compliance Officer, Bobby L Glass, remains available to address any questions regarding this ADV Part 2A.